

Bonus for Israel as VOA pact initialled

By BERNARD JOSEPHS
Jerusalem Post Reporter

Israeli and American officials yesterday initialled an agreement to build a \$250 million relay station for the Voice of America in the Arava, after the Americans promised that at least half the money spent on the project would go to Israeli firms.

The station is designed to boost VOA broadcasts to the USSR.

The document was initialled at 3 p.m. — two hours later than scheduled — by Communications Minister Amnon Rubinstein and U.S. Ambassador Thomas Pickering at Jerusalem's King David Hotel.

Prime Minister Peres and visiting U.S. Vice President Bush watched as the two men signed, thus completing the first stage of negotiations on the controversial project.

Yoram Alster, the director-general of the Communications Ministry who led the Israeli team during the 16-month negotiation process, said: "The letter is an expression of mutual understanding. I knew from the start that the part Israeli companies could expect would be extremely significant."

Although the agreement states that all tenders for work on the relay station should be open to free competition, U.S. Embassy official Howard Lane said Israeli companies would enjoy a "tremendous advantage" over their American rivals.

"Nobody's going to ship a bulldozer from the U.S. to build a project in the south of Israel," he said.

Yesterday's hold-up was the result of disagreement over the project between the Communications Ministry and the Treasury, Justice Ministry and several firms who were not happy with the agreement.

Said Alster: "I had faith in the American negotiators with whom we had an understanding that at least 50 per cent of the work would be done by local companies."

"But representatives of other ministries did not agree that the document should be signed. They had listened to some industrial leaders who suggested that our share of the project would be much less."

According to one report, Peres, keen to have the document initialled before Bush's departure, suggested that a letter stating the share of the work that could be expected to be placed here might clear the logjam.

After a series of phone calls between Alster and VOA officials in Washington late Tuesday night and yesterday, a formula was agreed on.

Critics of the agreement said yesterday they believed Israel would have been better advised to follow the examples of Britain and West Germany who lease relay facilities to VOA, but keep complete control of the relay station.

The Communications Ministry had acted hastily in agreeing to the project, they charged.

Lavi engine passes flight test

Post Defence Reporter

The Lavi fighter-bomber cleared one of the last hurdles in the way of its first flight, scheduled for two months' time, when its engine was tested in flight yesterday.

The engine, a Pratt and Whitney PW1120, was flown on an Israel Air Force Phantom, the manufacturers of the Lavi, Israel Aircraft Industries, had replaced one of the Phantom's J79 engines with a PW1120.

The 20,000-lb.-thrust PW1120 was selected in 1982 to power the Lavi, but had not been flight-tested until yesterday. The engine transplant is part of an IAI programme to upgrade the veteran Phantom fighter-bomber by replacing both of its J79s with a pair of PW1120s.



Michael Sacher, the Anglo-Jewish leader, died Tuesday at 69. See obituary, page 4.



Residents of Augusta, western Australia, watch helplessly yesterday as more than 80 stranded pilot whales wallow in shallow water 350 kilometres south of Perth. Volunteers try attempt to rescue the whales during high tide. (Reuters telephoto)

Tape measure for Taba

Jerusalem Post Staff and agencies

The Israeli, Egyptian and U.S. delegations to the Taba talks flew down to Eilat yesterday to determine the location of border markers according to rival Egyptian and Israeli claims.

They are to survey the disputed site today, largely using aerial photographs.

Today's field trip will be followed by further discussions in Eilat, and next week the two senior Israeli negotiators, David Kimche and Avraham Tamir, will fly to Cairo for what they hope will be a concluding round of talks with Foreign Minister Esmat Abdel Meguid.

Tamir, director-general of the prime minister's office, said yesterday that the teams also had to choose the three international arbitrators on the five-member arbitration team. The Israeli and Egyptian candidates have already been approved, a Foreign Ministry official said.

"We have a list and a system for choosing them. We may choose them before we initial the agreement, or after the initialing and before the final signing," he said.

He denied reports that Egypt and Israel rejected each others' proposed international candidates. Israeli newspapers have in recent months mentioned former U.S. secretaries of state Henry Kissinger and Cyrus Vance as possible arbitrators.

Kimche, in a radio interview, cautioned against haste in the last lap. "My fear is that the Egyptians will try at the last minute to get some concessions out of us... so in the last 100 metres of the race we must be careful."

According to informed Israeli sources, the arbitration agreement on Taba will not be initialled during Vice President Bush's stay in the Middle East. Apparently, hopes that the Egyptian delegation had arrived in Israel with a more flexible mandate have not yet been realized.

Kimche added that the *compromis* should be formulated in such a way that each party could approach arbitration with the feeling that it could present its arguments and leave it to the arbitrators to decide who was right. "We do not want to come to the arbitration with one hand tied behind our backs," he said.

Reform bill's fate still up in the air

By ARYEH RUBINSTEIN and ASHER WALLFISH

The private member's bill to change the electoral system yesterday failed to muster the 61 votes that up to now have been regarded as the necessary minimum for amending the law.

The vote was 50 in favour and 39 against. But Speaker Shlomo Hilel announced that the legal situation was unclear. He said he would ask the Knesset's legal advisers and the attorney-general whether a majority of 61 was required even on the preliminary reading. He said he would inform the Knesset of his decision next week.

Mapam announced that if Hilel did refer the bill to committee, (i.e. as if it had been legally passed), it would petition the High Court of Justice.

Even Mordechai Virshubski (Shinui), who presented the bill on be-

half of its 44 sponsors, conceded that the bill required a majority of the Knesset (and not merely of those present and voting).

The bill provides for the division of the country into 20 electoral districts, each of which would elect four MKs, for a total of 80. The remaining 40 MKs would be chosen from national lists.

Although 14 Likud members were among the bill's sponsors, only six of them voted for it yesterday: Meir Cohen-Avidov, Eliahu Ben-Elissar, David Magen, Ehud Olmert, Benny Shalita and Meir Shitrit. Seven sponsors stayed away from the chamber, and Gideon Gadot voted against.

Not a single Likud minister supported the bill, after the Likud Knesset group decided yesterday to vote against it. One reason given by the Likud was that the Alignment was violating the coalition agreement by not clearing the legislation with it in advance.



Barbara Bush looks on as Lea, a patient in the pediatric ward at Hadassah Hospital, Ein Kerem, unwraps a toy. The wife of U.S. Vice President George Bush was accompanied by Sonia Peres, the prime minister's wife. (Avi Hayon)

Brain-dead U.S. woman gives birth

SANTA CLARA, California (Reuters). — A brain-dead woman, kept alive after her boyfriend got a court order preventing her from being disconnected from a life-support system, gave birth yesterday to a healthy 1.96kg girl.

Doctors performed a Caesarean section on 34-year-old schoolteacher Marie Odette Henderson, and announced that the baby was in good condition.

Henderson was declared brain-dead on June 7, a few days after being admitted to a hospital where she was found to be suffering from a brain tumour. At that stage, the fetus was given a 10 per cent chance of survival.

Henderson's family decided to have life-support systems removed, but her 31-year-old boyfriend, Derrick Poole, obtained a court order to keep her alive long enough to give birth to their child.

Israel mum on Syrian units

TEL AVIV (Itim). — Official Israeli sources here last night would not confirm reports that there are still Syrian troops in the South Lebanese village of Mashara.

Travellers from South Lebanon denied reports from Beirut and Damascus that the Syrians had left the village, and said their confirmed presence was causing anxiety in the South Lebanon Army.

A few weeks ago, IDF sources also claimed that the Syrians had left the area. But travellers from the Beka'a Valley report having seen up to 150 Syrian soldiers in Mashara and surrounding villages.

Forces of the extremist Shi'ite Hizbollah have been clashing with supporters of the Syrian Socialist Party, and the Syrian troops were reportedly sent to make peace between the two groups.

Shekel now linked to basket of currencies

By AVI TEMKIN
Post Economics Reporter

The shekel's exchange rate will be pegged to a basket of major world currencies as of tomorrow, the Bank of Israel announced yesterday, ending a year-old informal policy of linking the currency to the dollar.

The basket will be composed of a weighted average of the currencies of Israel's principal trading partners. The U.S. dollar will make up 60 per cent of the basket; the West German mark, 20 per cent; the pound sterling, 10 per cent; and the French franc and yen, 5 per cent each.

The Bank of Israel stressed that the move was of a technical nature and that there was no intention of effectively devaluing the shekel. The basis for the new basket values will be the rates of exchange of the shekel against the different currencies that will be registered tomorrow at mid-day.

Central bank officials said yesterday that the move was designed to bring down inflation in Israel to European levels of 5-6 per cent annually.

In their view, the price increases of the last few months had largely been a reflection of the weakening dollar against the major European currencies and the Japanese yen. Since the shekel was pegged to the dollar, the declining value of the U.S. currency increased the prices of imports from Europe.

The effect of the measure will be to reduce the fluctuation of European currencies against the shekel, in comparison with the past year, while introducing a degree of fluctuation between the value of the shekel and the dollar. Until now, the shekel's exchange rate has been kept at about 1.5 to the dollar.

The value of the shekel against the full basket will remain constant, but the values of the individual currencies comprising the basket will change. The rise in the value of one currency, for example, will be offset by a reduction in the value of another against the shekel.

The Bank of Israel will publish a rate for the basket, which will be in the range of NIS 1.5 to the basket, as it has been doing for the dollar since the economic stabilization programme went into effect on July 1, 1985. At that time, the central bank began its informal policy of pegging the shekel to the dollar.

Unless the government formally announces a devaluation of the shekel relative to the entire basket, the daily rates of exchange will be determined only by developments in international currency markets. If the dollar continues weakening against the major European currencies, this will be reflected in an appreciation of the dollar in Israel.

The bank officials added that those purchasing dollars as of tomorrow would be speculating, since it will be impossible to predict the long-term trend of exchange rates. In western Europe, there are widespread expectations of a further drop in the value of the dollar against the mark and the yen. Bearish sentiments about the American currency have been fed by a series of statistics which have appeared in recent weeks showing a sluggish U.S. economy.

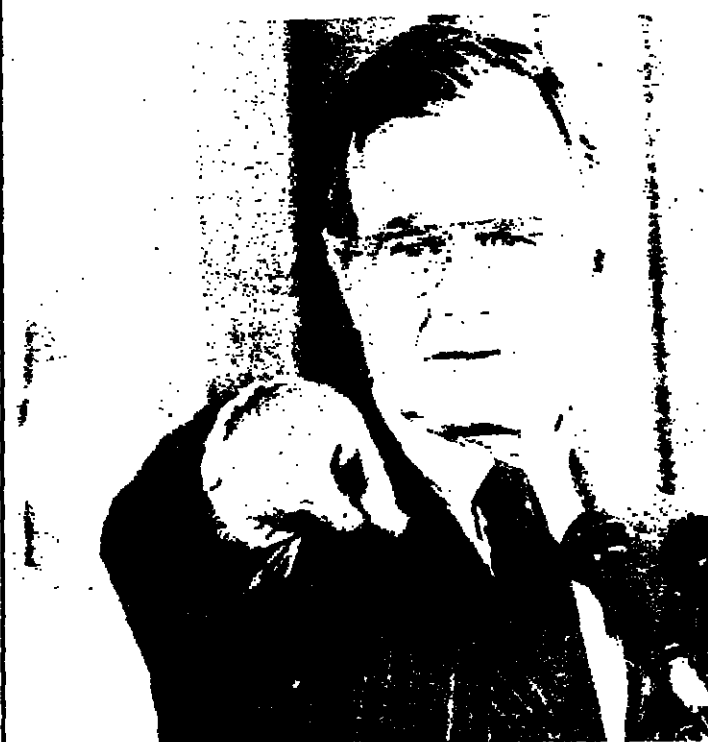
(Continued on Page 9)

Jumblatt in USSR

MOSCOW (Reuters). — Lebanese Druse leader Walid Jumblatt met senior Kremlin foreign policy adviser Anatoly Dobrynin yesterday for talks on the Middle East situation, the official Soviet news agency Tass reported.

The agency said both sides stressed the importance of Arab unity and agreed on the need for an international conference of all parties to the conflict, including the PLO, to map out a Middle East settlement. It said Soviets demanded "the unconditional withdrawal of the Israeli occupiers from the whole of Lebanon's territory." Jumblatt thanked Moscow for its support for his Progressive Socialist Party.

Bush takes a message to Amman



U.S. Vice President George Bush at a press conference at the King David Hotel yesterday, shortly before his departure for Jordan. (AFP telephoto)

Jerusalem Post Staff

U.S. Vice President George Bush left Israel yesterday, carrying oral messages from Premier Peres to King Hussein of Jordan and President Mubarak of Egypt.

Bush arrived in Amman early in the evening and was met by Crown Prince Hassan bin Talal. The vice president and his wife then paid a call on King Hussein, whom Bush is to meet again tomorrow.

The Peres message to Hussein apparently expresses the hope that in the wake of the premier's summit with Morocco's King Hassan, it will be possible to start talks with Jordan to solve the Palestinian problem.

The messages from Peres were conveyed to Bush earlier in the day, during a meeting between the two men in the Prime Minister's Office. Also present were Ambassador Thomas Pickering, and the premier's policy adviser, Dr. Nimrod Novick.

Following the meeting, Bush told reporters that he had praised Peres for the summit, "which captured the imagination of the whole world. I told him the United States gave full support to the personal courage and determination he showed."

Peres said: "I am convinced that, as a result of the visit of the vice president to our country, the peace process will gather momentum."

Asked whether the U.S. wanted Israel to be granted the benefits of Nato membership, Bush affirmed that studies would be undertaken "in terms of having Israel have some other benefits that other countries do. I believe Australia and New Zealand do, in terms of preference that go with that membership. And that's as far as the U.S. has shaped its policy to this point."

The talks between Bush and Peres were held in an "extremely friendly atmosphere, officials in the Prime Minister's Office told reporters. The officials added that Peres told Bush that Israel would like to do more to achieve a "breakthrough" in the peace process where the Jordanian Palestinian issue was concerned. This would be the most important next step in the peace process.

Another topic covered was cooperation in the war against terrorism. It was agreed that both sides would draft joint proposals on combating air piracy before the UN General Assembly convenes in autumn.

It was agreed by Peres and Bush during their meeting, and later reiterated by Bush in a press conference, that the Pollard case would not be allowed to damage bilateral relations. "There was a feeling in some quarters here that there was a vendetta against Israel, but after this visit, that feeling is gone," he said.

(Continued on Page 2, Col. 7)

Levy: 'Stop picking on us'

By MICHAEL YUDELMAN
Jerusalem Post Reporter

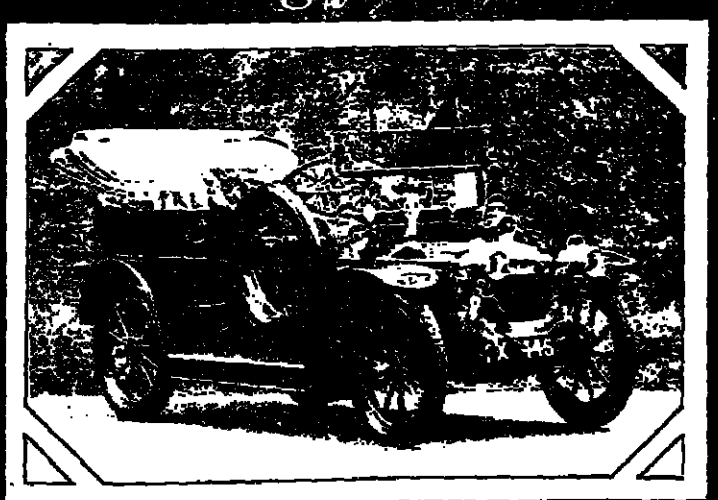
Attempts by the U.S. to get closer to Syria should be a source of concern to Israel and may have dangerous consequences, Deputy Prime Minister David Levy said yesterday in an exclusive interview with *The Jerusalem Post*.

"We must follow this tendency very carefully and act firmly, also with the Americans, and warn them of the possible results, which are harmful to the peace process," Levy said. He noted that he had warned

the U.S. ambassador of this. The direct results would be psychological — the Arabs would conclude that radicalism pays. Levy said, "Syria wants to show that even a giant like the U.S. is in the end reduced to fawn and come to heel. That is not healthy and it is to be hoped that the Americans will be disillusioned and see the danger despite their desire to find new directions," Levy said.

Levy added that the Americans, like the Israelis, must ask themselves (Continued on Page 9)

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S. African rebuff makes sanctions almost certain

LONDON (Reuters). — Foreign Secretary Sir Geoffrey Howe's mission to South Africa was fatally flawed from the outset with black leaders refusing to talk to him and key whites refusing to listen, British officials said today.

They said the unequivocal failure of his attempt to mediate on behalf of the European Community between the Pretoria government and the majority black population made new economic sanctions against Pretoria almost inevitable.

Tuesday's stunning rebuff from South African President P.W. Botha did more than kill Howe's mission. It virtually swept away the last obstacles to concerted economic pressure by the major Western nations against South Africa, the officials said.

"I think by mid-September you will see all sorts of new measures in place," one senior official said. But he added that the measures adopted would have to be carefully weighed in detailed discussions which could continue for several weeks.

Howe was sent to South Africa under a mandate from the European community summit last month to try to persuade Pretoria to release nationalist leader Nelson Mandela and legalize banned black opposition parties such as the African National Congress (ANC).

His return empty-handed was the climax in a series of humiliations that the veteran British minister, who is renowned for his patience and resilience, had received during his week-long shuttle.

The worst insult came from Botha, who at an angry news conference on Tuesday asked why it was that Howe was not campaigning for the freedom of other "so-called political prisoners" such as the Irish guerrilla Patrick Magee who in 1984 almost blew up the entire British cabinet.

The speech left British officials livid with anger, but Howe remained publicly optimistic.

The subsequent debate would inevitably turn on the issue of sanctions, with the opening shot

being fired this weekend in a Commonwealth mini-summit in London.

Even on this question, the officials said, Howe's mission had made the argument morally more difficult for Britain.

British Prime Minister Margaret Thatcher, who with President Reagan had stood virtually alone in her opposition to sanctions, believes they would cause suffering and hardship among South African blacks without having any noticeable impact on the country's wealthy white community.

Thatcher came under renewed pressure yesterday to agree to sanctions against South Africa.

A key parliamentary committee yesterday published a report backing sanctions as Howe flew home to brief Thatcher and U.S. Assistant Secretary of State Chester Crocker on the failure of his week-long shuttle around southern Africa.

Thatcher was studying the report from the influential House of Commons Foreign Affairs Committee.

The weather at major Swissair destinations

	MIN.	C	F	MAX.	
AMSTERDAM	12	54	23	73	Cloudy
BRUSSELS	13	55	23	73	Cloudy
FRANKFURT	14	57	25	75	Cloudy
GENOVA	15	59	26	77	Cloudy
PARIS	16	61	28	79	Cloudy
ROME	17	63	30	81	Cloudy
VIENNA	18	65	32	83	Cloudy
ZURICH	19	67	35	85	Cloudy
ST. GALLEN	20	69	37	87	Cloudy
BASEL	21	71	39	89	Cloudy
COLOGNE	22	73	41	91	Cloudy
MUNICH	23	75	43	93	Cloudy
BERLIN	24	77	45	95	Cloudy
HAMBURG	25	79	47	97	Cloudy
DRESDEN	26	81	49	99	Cloudy
LEIPZIG	27	83	51	101	Cloudy
PRAGUE	28	85	53	103	Cloudy
BUDAPEST	29	87	55	105	Cloudy
WARSAW	30	89	57	107	Cloudy
VIENNA	31	91	59	109	Cloudy
ZURICH	32	93	61	111	Cloudy

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THE WEATHER

	Yesterday's	Today's	Max	Min
Jerusalem	55	18-27	28	18
Golan	42	16-30	31	16
Nahariya	36	18-30	30	18
Safed	30	24-37	36	24
Haifa Port	30	21-37	33	21
Nazareth	44	23-33	33	23
Alula	40	21-31	31	21
Shouara	40	21-31	31	21
Tel Aviv	40	21-31	31	21
B-G Airport	54	23-31	31	23
Jericho	40	24-37	37	24
Caes	40	24-37	37	24
Beersheba	38	22-32	32	22
Eilat	22	27-38	38	27

SOCIAL & PERSONAL

The ambassador of South Africa, David de Villiers du Buisson, will address the Rotary Club at a ladies' luncheon at the Tel Aviv Hilton today.

Dr. Wolf Cegla, former governor of the Rotary District of Israel, has been elected a trustee of the Rotary International Foundation.

In Memoriam

A meeting on the *shloshim* of Mrs. Anna Halperin-de Guenzburg took place on Tuesday at the United Old Age Home in Katamon, Jerusalem, and was presided over by Prof. Werner Silberstein.

Alice Gitter dies

Jerusalem Post Reporter
TEL AVIV — Alice Gitter, a prominent figure in Tel Aviv social life, died yesterday. She was in her early sixties. According to family sources, she died in her sleep in her Herzliya hotel suite, where she was taking a short vacation.

The funeral will probably be held on Friday, to enable her husband, Dr. Benno Gitter, to fly home from South Africa. He is chairman of the Tel Aviv University Executive Committee and a senior director of the Discount Bank group.

Alice Gitter was born in Germany and raised in Holland from where she escaped to Argentina. The Gitters came to aliyah in 1955.

Egyptian minister asks to visit Eilat

Jerusalem Post Reporter
Eilat has been included in the itinerary of Egypt's Minister of Tourism, Farouk El-Sayid, who is visiting Israel next week. The minister specifically asked to see Eilat, said Tourism Ministry director-general Rafi Farber Tuesday, at the ceremony opening the artificial lake in the Timna Valley Park.

Farber said that Sultan, who is due to arrive at Ben-Gurion Airport on Sunday, was eager to study how Israel had created a duty-free zone in its southern resort area. Sultan is scheduled to fly to Eilat on Monday for meetings with Mayor Rafi Hochman and private developers.

Sultan and his Israeli counterpart, Avraham Shafir, are planning to join Egyptian and Israeli delegations which will convene in Jerusalem to discuss working arrangements for increasing tourism between the two countries.

HOME NEWS

Court: Black Hebrews must

By BARBARA AMOUYAL
For The Jerusalem Post
The High Court of Justice yesterday rejected a petition challenging Interior Minister Yitzhak Peretz's authority to expel 46 Black Hebrews from the country.

A three-judge panel unanimously ruled that there was "no appropriate or legal basis" for intervening in an Interior Ministry order to expel members of the cult "who, in accordance with Section 13 of the Law on Entry to Israel, have been residing here illegally."

Interior Ministry deputy director-general Yitzhak Agasi, responding to yesterday's ruling, told *The Jerusalem Post*, "They are here illegally, and we will work towards removing every last one of them from the country."

Agasi could not say when the ministry would act on its expulsion order, insisting that senior staff would have to study the High Court decision.

High Court Justices Aharon Barak, Shlomo Levin and Gabriel Bach mentioned in yesterday's ruling that "a substantial number" of Black Hebrews had already been expelled. The justices cited previous High Court cases in which appeals by cult members had been rejected.

According to the court, "there is no legal basis for our involvement in this case. It is not up to this court to aid the petitioners." The court stipulated, however, that the expulsion orders should be carried out "in a humanitarian and appropriate manner."

Goldshov Ben Yisrael and 45 other Black Hebrews, petitioners in yesterday's case, are all American born. They were arrested in April on suspicion of being here illegally. Black Hebrew men have been held at the Beersheba lockup, while Black Hebrew women are being held at the Neveh Tirza women's prison in Ramle.

The Black Hebrews argued in court that their long stay in Israel gave them *de facto* status as tolerated people, their lawyer, Mark Levy, said yesterday.

"The Interior Ministry has been given a green light to pick up these people left and right and ship them home," Levy added.

U.S. Embassy spokesman Robert Hall, reached by telephone, declined to comment on the court ruling.

Raz: Arab classrooms a disgrace

By BERNARD JOSEPHS
Jerusalem Post Reporter
A call to the Education Ministry to take immediate steps to improve conditions in Arab schools has been sounded by the Knesset Education Committee chairman, MK Nahman Raz (Alignment).

Yesterday a senior committee source warned that failure to act promptly could turn the schools into "hotbeds of hostility." She added that many Arab pupils study in appalling conditions and in rented rooms.

Raz's call came after his committee considered what is described as a disturbing report by an Arab education watch-dog group made up of teachers and other experts.

The meeting took place on July 15, but details were issued only yesterday.

Dr. Magid Elhaj, chairman of the Committee for Arab Education, complained that budgets for Arab schools had been cut at the same rate

as those for Jewish schools, despite the generally poorer conditions in the Arab sector.

The group's report said that, while the Jewish sector had almost as many kindergartens as it needed, only 6 per cent of Arab children got pre-school education.

The committee was also told that Mifal Hapayis, the state-run lottery that donates part of its profits to education, had not given any money to build kindergartens for Arab children, and had handed over only 8 per cent of its cash to build classrooms in the Arab sector. This was despite the fact that Arabs comprise 23 per cent of the country's school population.

Raz said that the report pointed to a worrying gap between the two communities' schools, "which caused frustration among young Arabs."

This was not just a matter of buildings, he said, but also affected

the appointment of officials. The Knesset committee heard that, of 980 senior positions in the Education Ministry, only 32 were held by Arabs.

Raz called on the ministry to ensure equality between the communities and to pay attention to the fact that nearly a quarter of the country's school children were from the Arab sector.

A Knesset Education Committee source said that members believed the situation had been caused by neglect rather than discrimination.

Another meeting to discuss the issue had been scheduled for October, the source said.

No Education Ministry officials were available last night for comment. But in recent weeks officials, including Education Minister Yitzhak Navon, have stressed their intention to improve Arab schooling.

Navon also said he intended to increase the study of Arabic and Arab culture in Jewish schools.

TV sets, ovens, diapers dearer today

Price rises of 5 per cent on television sets, refrigerators, gas burners and ovens take effect this morning, following approval yesterday by the Industry and Trade Ministry.

The prices of linen, underwear and blankets go up by 6 per cent. Washing machines, dishwashers and

electrical cooking appliances rise by 7 per cent.

Paper diapers go up by 12 per cent, batteries by 15 per cent and fluorescent lights by 17 per cent. The cost of developing film and making prints goes up by 19 per cent.

Gas chamber author contests thesis decision

PARIS (AP). — Lawyers for Henri Roques, whose controversial doctoral thesis casts doubt on the existence of Nazi gas chambers, are challenging a decision to annul the thesis defence, Roques announced yesterday amid a vitriolic war of words from his detractors.

An anti-racist group, SOS-Racism, tried to stop the news conference by Roques and a representative of a publishing house which is putting out the thesis in book form.

Unfolding a large banner reading "Neither hate nor forgetting" behind the podium, members of SOS-Racism, joined by some journalists, condemned Roques during an hour-long verbal battle that degenerated into name-calling and screaming.

"We feel that up to this point the press has done its job...today, we think that 'affaire Roques' is closed," said Marc Bitton of SOS-Racism.

The revelation in May that Roques, 65, a retired agricultural engineer, was awarded a doctoral thesis on the controversial topic, and received a "very good" mention, caused a stir in France, and deputy minister for higher education Alain Devaquet called for an investigation.

On July 2, Devaquet announced that the thesis defence was being cancelled for procedural flaws, Roques' doctor's title withdrawn and the thesis chairman temporarily suspended.

Security forces seize Fatah terror cell
An alleged Fatah terror cell, which included four Beduin from the Negev village of Rahat, has been broken up by security forces.

Among those arrested, according to Israel Radio, were two men from the West Bank town of Jenin.



Jericho Mayor Jabri Khalaf visits Haim Moshe at Hadassah Hospital. Kin Kerem. Moshe was wounded in last week's grenade attack in Jericho. (Dan Landau)

Jericho mayor visits injured

By MENACHEM SHALEV
For The Jerusalem Post

The Carmiel pupils hospitalized at Hadassah Hospital, Ein Kerem after being injured in Thursday's grenade attack in Jericho, were visited yesterday by Jericho Mayor Jamil Jabri Khalaf.

The mayor, accompanied by several Jericho businessmen, visited seven of the nine people still hospitalized. He gave them fruit and flowers and wished them a speedy recovery.

Khalaf said he hoped the "tragic" incident would be forgotten quickly and that the pupils would visit Jericho again.

Moshe Moshe, the driver of the truck that took the pupils on their

cycling trip — and whose son was among the wounded — said he had been working and living with the people of Jericho for many years and had no intention of staying away from the city.

"Khalaf expressed sorrow over Carmiel Mayor Baruch Venger's call earlier this week for a boycott of Jericho. Khalaf said Haifa, Tel Aviv and Jerusalem had also had terrorist incidents. He said that 'we must continue to try to live like brothers.'"

Khalaf did not see the one Jericho resident who was wounded in the attack because he was undergoing surgery at the time of the visit.

A hospital spokeswoman said the wounded were in "satisfactory" condition and "improving."

Dispute over Haifa's artistic mall

By YA'ACOV FRIEDLER
Jerusalem Post Reporter

HAIFA. — The National Painters' and Sculptors' Association has threatened to "expel without appeal" any member who participates in the city's "artistic pedestrian mall."

The event, part of the city's summer entertainment programme, is to be held on Tuesday evenings, starting next week, in Yafe Nof St. on Mt. Carmel. Local craftsmen and artists will be able to display and sell their works.

The local branch of the association imposed a ban on its members' participation a week ago, to protest against the city's failure to consult it and have it help appoint the jury to

choose participants.

When City Hall ignored the move, the branch presented its case to the national committee, which in an unprecedented decision signed by the association's national chairman and the heads of its branches in Jerusalem, Tel Aviv, Haifa and Beersheba warned all members to keep away from the mall.

The municipal spokesman told *The Jerusalem Post* that no one was pretending that the event was an official art exhibition. It was merely a chance for artists and craftsmen to meet the public.

BUSH

(Continued from Page One)

visit I think it's understood that there is none," Bush said.

Speaking to MKs in the Knesset's Chagall Hall, Bush dealt with American aid to Israel. "We are studying how we can give more help without spending more money," he said.

He stressed that the U.S. is committed to maintaining Israel's qualitative military edge over any possible combination of adversaries.

The Knesset outdid itself to give Bush a welcome fit for a vice president.

After his political conversations in the morning, he came to the Knesset to be received by a parade of the Knesset guard in the forecourt, where he laid a wreath at the memorial to Israel's war dead.

Going up to the VIP gallery in the plenum chamber, Bush was greeted by Speaker Shlomo Hillel in Hebrew and English, to a full turnout of cabinet ministers and MKs.

Present to hear Bush's speech in the Chagall Hall were Peres, Defence Minister Rabin and Foreign Minister Shamir, as well as most of the cabinet, most MKs, and many members of the diplomatic corps.

Bush commanded close attention from his audience, as his hearers compared his style and his message with that of President Reagan, and tried to trace links between his hard-line philosophy, and his background as boss of the CIA.

He drew applause when he mentioned the growing ties between the U.S. Sixth Fleet and the port of Haifa. Bush was a pilot in the U.S. Navy in World War II.

Earlier, at a meeting of the Foreign Affairs and Defence Committee, Bush heard political statements from various members, as well as an overview from its chairman, Abba Eban.

A U.S.-Israel memorandum on tourism was also signed yesterday by Bush in Peres's office.

The document affirms the importance and mutual interest in the unhindered flow of tourists between the two countries.

Bush said he was happy to sign the agreement and undertook to tell his friends in the U.S. that they should come to Israel.

The vice president paid tribute to Israel's ability to give people not only a warm welcome but also a feeling of security.

Laughter broke out when Peres said that some Israeli tourists would go to the U.S. "We don't have to encourage them to do so," he said. In a more serious vein, Peres declared that terrorism would not stop tourism.

FISH. — About one million fish found floating on the West German Mosel and Saar rivers this week apparently died from cyanide seeped into the waterways by an industrial plant, officials said in Saarbrücken.

Tel Aviv University

offers condolences to the

Gitter Family

on the death of

ALICE

a good friend to the University

and wife of the Chairman of the

University's Executive Council

The Jewish Agency for Israel

World Zionist Organization

mourn the passing of

MICHAEL SACHER

distinguished leader of British Jewry, member of the Jewish Agency Executive and Board of Governors, active supporter of numerous Israeli and Zionist causes, a gentleman who consistently held Jerusalem among his chief joys.

Our condolences to his family and to all British Jewry

Arye L. Dulzin, Chairman

The Settlement Research Centre

mourns the untimely passing of

MICHAEL SACHER

Chairman of the Centre's Board of Trustees

and offers condolences to the family.



המגבית המאוחדת לישראל קרן היסוד

The World Family of United Israel Appeal-Keren Hayesod

and

The Joint Israel Appeal of the United Kingdom

deeply mourn the passing of

MICHAEL M. SACHER

beloved leader and

member of a great Zionist family

President of the Joint Israel Appeal

and member of the

UIA-Keren Hayesod World Board of Trustees and

Chairman of its Budget Committee

In deep sorrow, we announce the passing of our

dear mother and grandmother

CAMILA GOLDSTEIN

widow of Dr. Angelo Goldstein

from Prague

The funeral will take place today, Thursday, July 31, 1986 at 2 p.m. at the Southern Cemetery, Holon/Bat Yam border. We shall meet at the main gate.

Her daughter, Ruth, and Shaul Kariv

Her son, Michael, and Ofra Gal

and their families

On the first anniversary of the death of

Dr. ERNST W. KLIMOWSKY, Adv.

there will be a memorial service on Sunday, August 3, 1986, at 5 p.m., at Z.O.A. House, 1 Rehov Daniel Frisch, Tel Aviv.

Detained or missing - 3,402

Black homeland head killed; 9 die in attack on police station

JOHANNESBURG (AP). - A government minister of a black homeland was killed when his car was blown up, and nine people, including five policemen, were killed in an assault on another homeland's main police station, officials said yesterday.

Police in Transkei said the central police station in Umtata, the homeland's capital, was attacked late Tuesday. But no details were released other than the death toll.

Approaches to the police station were still cordoned off yesterday and security forces manned entrances. Firemen who went to the scene said they had been warned not to give any information.

Transkei leader George Matanzima was expected to make a statement later.

The government's Bureau of Information said Piet Ntuli, home affairs minister of the troubled KwaZulu homeland northeast of Pretoria, was killed on Tuesday night when the car he was driving exploded.

The bureau said it was not known who was responsible or what type of explosives were used. It said Ntuli was alone in the car.

Transkei, south of Durban along the Indian Ocean coast is one of four homelands designated by South

Africa as independent, although none is recognized by any foreign country.

KwaZulu is scheduled to obtain independence in December, but the plan has been bitterly opposed by anti-apartheid activists and other residents who contend the homeland system is used by South Africa's white-led government to maintain power.

The dispute over independence has triggered almost daily violence in KwaZulu for several months.

In addition to the homeland deaths, the information bureau said a 25-year-old black man was killed Tuesday in Soweto, Johannesburg's main black township, by police trying to prevent a mob from burning down a home. The deaths raised to 204 the official unrest death toll since a state of emergency was declared June 12.

South Africa's largest daily newspaper, *The Star*, published a list of 3,402 people it said were detained or missing - the first such list of names published since the emergency was declared.

The emergency regulations prohibit unauthorized identification of detainees, but *The Star's* publisher, Rex Gibson, said the paper decided that the names had been officially

disclosed once authorities notified next of kin.

The list was compiled by the detainees parents support committee, an anti-apartheid group which monitors detentions. Monitoring groups have said the total number of detainees may be as high as 10,000.

The government has said it has notified relatives of all the detainees, who include anti-apartheid organizers, clergymen, students and labour leaders. *The Star* said some of the detainees are as young as 11.

The four English-language newspaper groups in South Africa announced they will launch a court challenge of the emergency restrictions next month.

They plan to go before the Natal Province Supreme Court on Aug. 11 to challenge six of the emergency regulations, including those prohibiting reporting of allegedly subversive statements, barring publication of photographs of unrest, and allowing newspapers to be banned.

Meanwhile, British Foreign Secretary Sir Geoffrey Howe turned to London yesterday from his failed peace mission to South Africa with Britain facing unprecedented pressure to drop its resistance to tough sanctions against the white-led government.

Against Israel diplomatic ties

OAU summit approves only mild moves on SA

ADDIS ABABA. - African leaders holding their annual Organization of African Unity (OAU) summit supported relatively mild proposals on South Africa yesterday. They also recommended that member states renew their "firm determination not to establish or re-establish diplomatic ties with Israel, a natural and unconditional accomplice of South Africa."

The OAU summit which opened here on Monday was moving on to consider the continent's grave economic problems before its scheduled close last night.

The leaders condemned five states - Britain, France, Israel, West Germany and the U.S. - for their dealings with South Africa and suggested voluntary reprisals against Britain for its opposition to sanctions.

The decision to pass the relatively mild resolutions without amendments had been expected after a militant campaign for tougher anti-western measures lost momentum in the final hours of the summit.

Diplomats attending the conference said the move reflected a feel-

ing among African Commonwealth members that they should wait to see the outcome of a meeting on South Africa of seven Commonwealth heads of state in London at the weekend.

The resolution on the Middle East additionally declared its "total and effective support for the Palestinian people" under the leadership of the PLO. It also declared its support for the Arab "victims of Israeli aggression" and their "just struggle to recover their usurped rights and their occupied territories."

On Africa's economic plight the 50 OAU states represented here by 22 heads of state or government and 28 other ranking officials, reiterated the continent's call for a conference bringing together African debtors and their creditors.

The continent's dependence on Western financial assistance was apparent in the 37 resolutions which were littered with appeals for aid to tackle African problems ranging from refugees to a current plague of locusts.

Italy, W. Germany and Britain hold 11 Arab terror suspects

GENOA (Reuters). - Eleven Arabs are being held in Italy, West Germany and Britain on charges of belonging to a guerrilla organization after an Italian magistrate issued warrants for their arrest, a Rome newspaper said yesterday.

The daily *La Repubblica* said that seven of the men were being held in Italy, three in West Germany and one in Britain. A further nine Arabs are being sought on similar charges, the newspaper said.

The arrests, on warrants issued by Genoa Magistrate Luigi Carli, were also reported by Italy's AGI news agency. Carli was not available to confirm the reports. Police and other magistrates declined to comment.

La Repubblica quoted Carli as saying: "All I can say is that we are up against a new organization with links with international terrorism."

It named one of the men being held in Genoa as Adnan Roussan, a

Jordanian businessman who ran a trading company in Verona, northern Italy. Police in West Berlin were holding a man called Ahmed Narwat Mansour Hasi, it said.

Police in London had arrested a man believed to be the head of the guerrilla organization, *La Repubblica* said, but did not name him.

Awni Hindawi, a Jordanian arrested in Genoa last month, is related to two alleged guerrillas held after the bombing of a Berlin discotheque and a failed attempt to bomb an Israeli airliner.

His cousin, Nezar Hindawi, is being held in London where he is alleged to have given his pregnant Irish girlfriend a bomb to carry on to an El Al airliner in April.

Nezar Hindawi's brother, Ahmed, is alleged to have planted a bomb in the Berlin discotheque earlier in April which killed two people and injured 150.



Michael Webb stands next to the ancient chalice he and his son found six years ago in an Irish bog. (Reuters/telephoto)

Finders keepers

DUBLIN (AP). - A court ordered the National Museum on Tuesday to give early Christian artifacts valued at up to \$11 million back to a father and son who found them in a bog six years ago.

The High Court ruling was seen as a challenge to the principle of automatic state ownership of an archaeological find that is deemed a treasure trove. Museum director Brendan O'Riordan said he would appeal to the Supreme Court.

Businessman Michael Webb and his son Michael, then 16 years old, found the treasure with a metal detector in County Tipperary, at the site of fifth century church ruins in an island bog. They are regarded as among the most important finds from the early Christian period in Ireland, and are more than 1,200 years old.

The artifacts, called the "Derrynaflan Hoard" for the area in which the Webbs found them on February 17, 1980, have been valued by a representative of Sotheby's Auction House at \$7-11m.

A golden jeweled chalice, the most highly prized item, was found beside other gold, silver and bronze objects including a communion plate, a wine strainer and a bowl.

Webb refused a government offer of £10,000 for the treasure and sued for its return or payment of the full value.

Soviets reject 'mutual restraint' in N-arms

GENEVA (AFP). - A special meeting here of the Standing Consultative Commission (SCC), which supervises the application of bilateral nuclear disarmament treaties, ended yesterday without any agreement being reached between the Soviet and U.S. sides, a U.S. source said.

According to the source, the Russians rejected the proposals put forward in May by President Reagan for a 50 per cent "mutual restraint"

reduction in strategic weapons.

The SCC, set up as a result of the 1972 anti-ballistic missile (ABM) treaty, normally meets twice a year. It was specially convened here on July 22 at Soviet request.

In recent years, the SCC has concentrated on verifying the application of the U.S.-Soviet agreement on the limitation of strategic weapons, as governed by the SALT-2 treaty.

In Moscow, a U.S. Embassy

spokesman announced that U.S.-Soviet talks are going on in both Moscow and Washington on such subjects as non-proliferation of nuclear weapons.

(Two U.S. delegations were at present in the Soviet capital, the spokesman said. One delegation was exchanging views with the Russians, as regularly happens every six months, on the non-proliferation question.)

Dowsers sought in U.S. drought areas

WASHINGTON (AFP). - Drought ravaging the south-east of the United States, causing 48 deaths and a loss of \$2 billion to farmers, has revived interest in the near-neglected art of water divining.

The Water Diviners' Association claims to have 3,500 members, and one of them, George Glenn, 55, explained that "people who don't normally believe in dowsing are resorting to it."

Les Tenold, a 66-year-old old former Air Force colonel in Atlanta, Georgia, who is a water diver said: "Oh man, it's driving me nuts. I'm getting more business than I can handle."

He is receiving five calls a day and claims to be successful 95 per cent of the time.

Leon Lawson, 56, from Tennessee, believes that "God has something to do with it. I tote the stick (which is Y-shaped) and the man upstairs does the rest."

Some diviners, like Tenold, charge their clients \$40 a time. But others feel that if they charge money, their powers will fade.

Scientific-minded people regard diviners as jokers, but several Federal officials do not mind working with them.

One Department of Conservation geologist explained: "After all, they give a bit of local colour."

In addition to calling on water diviners, farmers in the southeast facing massive drought losses are counting on help from more fortunate farmers in other parts of the country.

For instance, farmers in the midwest and New England regions, untouched by drought, have been sending bales of hay for cattle fodder by rail at weekends.

Indiana farmers have made a gift of 2,000 tons of hay, and industrial states have lent rolling stock to help deliveries.

But this aid is far from being sufficient. In Carolina alone, cattle need 10,000 tons of fodder daily, and they have already used up all their stocks.

The government has provided air force planes to transport fodder and is giving low interest preferential loans to needy farmers so they can meet their debts.

President Reagan personally admitted the seriousness of the situation during a visit to the stricken region last week.

Last Sunday, the governor of Georgia decreed a national day of prayer for rain.

Handwritten text in a box: "Handwritten text in a box"



High winds forced a westbound Chicago and North Western Railroad freight train carrying toxic chemicals to derail and spill 18 cars from a 60-metre bridge into the Des Moines River near Boone, Iowa, late Monday. (Reuters telephoto)

Indian gov't seeking strong police powers

NEW DELHI (AP). - Prime Minister Rajiv Gandhi's government, already armed with sweeping police powers, is pushing for yet another controversial, emergency law to fight escalating Sikh terrorism along India's borders.

The move follows the massacre last Friday of 14 Hindus by Sikh extremists who seized a bus near the Punjab frontier with Pakistan. It was the deadliest-ever Sikh terrorist attack in India.

Gandhi sought support on Tuesday night from opposition political leaders for a constitutional amendment on border security. It would declare specified frontier areas as "protected" regions governed by emergency laws passed by the national parliament.

Gandhi has not specified which extraordinary powers he seeks. But opposition lawmakers said the proposal almost certainly would arm security forces with powers to search and arrest without warrant.

They said it could mean effective suspension of civil liberties in designated frontier areas, like Punjab, where residents complain of widespread, and documented, police harassment.

The proposal for emergency border regulations follows a series of extraordinary laws enacted since Gandhi succeeded his assassinated

mother, Indira Gandhi, in November 1984.

The laws have been widely criticized by Indian and international human rights groups as draconian measures which violate the fundamental civil liberties in the world's most populous democracy.

Opposition leaders agreed with Gandhi that extraordinary powers were needed. But they objected to the proposed amendment, saying article 249 of the constitution could be invoked to accomplish the same things.

Sikh terrorism is concentrated in the three Punjab districts of Amritsar, Gurdaspur and Ferozepur bordering Pakistan. Gandhi has been under increasing pressure to call out the Indian army in those regions.

India repeatedly has accused Pakistan of training and arming Sikh dissidents. The Indian parliament was told yesterday that 249 Pakistani spies have been arrested by security forces.

Gandhi's harshest security legislation was passed last summer following the slayings of 90 people in Sikh terrorist bombings across northern India. That legislation, called the Terrorist and Disruptive Activities Preventive Act, provides the death penalty for terrorist killings and prison terms for "disruptive activities."

FOREIGN NEWS IN BRIEF

Freed priest gives captors' message to pope

VATICAN CITY (AP). - An American priest freed from captivity by Moslem extremists conveyed the words of his captors to Pope John Paul II yesterday, stressing the role of religion in efforts to free the remaining hostages in Lebanon.

"The religious factor is of great importance in this matter," the Rev. Lawrence Martin Jenco told reporters after fulfilling what he termed a promise to give "a confidential message from my captors to the holy father."

Population shrinks further in West Germany

WIESBADEN (Reuters). - The population of West Germany, where lack of enthusiasm for children is considered a national problem, shrank further last year. The Federal Statistics Office said yesterday.

Total population, including foreign residents, fell by 29,000 to 61 million in 1985. The German population dropped even further, by 107,000 to 56.6 million, a decrease of 0.2 per cent.

West Germany says its birth rate is the lowest in the world.

U.S. judge charged with raping boy

PROVIDENCE, Rhode Island (AFP). - A U.S. judge was charged Tuesday with raping the young son of a colleague during a conference on children and the way the law can help them.

Judge Jimmy Sloan, 42, of Anniston, Alabama, is alleged to have forced the 13-year-old boy to have oral and anal sex with him on July 11 at the Providence Hotel where the conference was being held.

Police said the boy had told his father that Judge Sloan invited him to his room on the pretext of showing him how the television set worked.

New watch goes backwards, for Americans

LAUSANNE (AFP). - A Swiss watchmaker plans to market a watch that goes backwards, and says it is mainly for the American market, the daily *Le Matin* reported here yesterday.

The hands go anti-clockwise and the hours are shown the wrong way round. Called the "Raitek," it looks similar to the "swatch" plastic type and its price is described as competitive.

U.S. tanker hit by Sidewinder missile

NORFOLK, Virginia (AFP). - An unarmed Sidewinder missile fired by a navy F-14 fighter hit a tanker on Tuesday off Norfolk, causing a small fire, according to a naval spokesman yesterday. There were no casualties.

The missile, which weighs about 100 kilos smashed an 80-centimetre wide hole in the American tanker's superstructure. The fire was soon brought under control by the crew.

The F-14 was taking part in a military exercise due to end at the weekend.

Robin and Jack Armon are delighted to announce the birth of a daughter

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cousin to Jason Armon

July 4, 1986

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New York

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Timna and Hanan, Friends and Family

Hussein spurns Bush call to meet Peres

AMMAN (AP). - King Hussein has rejected a call by U.S. Vice President George Bush for a meeting between the king and Israeli Prime Minister Shimon Peres, Jordanian newspapers reported yesterday.

On the day Bush was scheduled to arrive in Amman, at least one newspaper also criticized the Bush suggestion, which seemed to move beyond previously stated U.S. positions.

"Direct negotiations with Israel could only be held within the context of an international peace conference which should be attended by the five permanent members of the United Nations and all parties involved in the conflict," the king was quoted as saying.

The king's remarks, which reiterated long-established Jordanian policy, were the only on-the-record portion of an interview Tuesday with several local reporters.

Publication of the information appeared to indicate Jordan was eager to separate itself from suggestions the king might follow Moroccan

co's King Hassan into talks with Peres, and to hint at irritation of Bush raising the subject.

Bush told reporters in Israel Tuesday that the Hassan-Peres counter should facilitate a meeting between Hussein and Peres.

"The next logical step, if it could be arranged, would be a direct meeting between the prime minister and King Hussein," Bush had said.

Bush spokesman Martin Fitz said the suggestion by Bush was "simply reflecting his views and stating U.S. policy... I am sure it is part of the vice president's discussions with Hussein when we arrive in Jordan."

The vice president's proposal of an unexpected turn in a visit scribed earlier by his aides as listening, exploratory and symbolic trip, prior to the 1988 presidential election campaign in which he could be a contender.

Jordanian officials made no direct comment on Bush's tour, having earlier it was not expected to include new peace proposals.

Mubarak to moot peace, debts with Bush

CAIRO, Egypt (AP). - President Hosni Mubarak says he will discuss Middle East peace prospects and Egyptian debt relief with U.S. Vice President George Bush when he comes to Cairo.

In an interview with the weekly magazine *Al-Mussawwar* to be published today, Mubarak reiterated his opposition to handing over Sudan's

deposed President Jaafar Numeiri the Khartoum government, but said he would accept the outcome of litigation in Egyptian courts on issue.

Bush will come to Egypt on Sunday from Jordan. He will be Mubarak's guest at dinner on Sunday as official talks will be held on Monday.

PLO Nat'l Council to meet

TUNIS (AFP). - Five PLO organizations, including Fatah, reportedly have agreed to call for a meeting of the Palestine National Council, according to Ahmed Abdul Rahman, PLO spokesman in Tunis.

The meeting, to be held in Algeria or Sudan within the next 45 days, represents a PLO attempt to end infighting between various PLO factions, Rahman said.

The announcement was the first concrete step taken by the PLO in recent months to deal with the organization's factional rifts.

The groups that would participate in the meeting include Fatah, the PLO's largest organization, the Marxist-oriented Democratic Front,

the Palestinian Communist Party, the Palestine Liberation Front, Abu Abbas and the pro-Iraqi Arab Liberation Front.

Meanwhile, PLO leader Yassir Arafat arrived yesterday in Baghdad for talks with Iraqi officials, who reportedly will focus on last week's meeting between Morocco's King Hassan and Prime Minister Shimon Peres, diplomats said.

Arafat also recently sent an unofficial number of fighters from PLO's Force 17 to Sidon with aim of reaching Beirut, according to a PLO magazine.

The *Falastin al-Thawra* stated that Arafat wants to bolster his military position in Beirut.

Charges traded on Beirut bombings

BEIRUT (AP). - Lebanon's Moslem and Christian leaders traded charges yesterday of alleged Syrian or Israeli involvement in this week's two bomb explosions that claimed 57 lives.

Moslem statements generally blamed Christians, allegedly serving Israel's secret service, for the two

bloody blasts in East and West Beirut, contending they were engineered to kindle a new round of full-blown civil war.

Christian spokesmen blamed bombings on Syria's intelligence operatives from leftist Lebanese factions seeking the ouster of Maronite Catholic President Amin Gemayel.

Luxor, the 'sin city'

CAIRO (Itim). - The scantily-clad tourists and students who stroll the streets of Luxor, upper Egypt's popular vacation stop, have awakened a new wave of protests from the city's Islamic sheikhs and moral guardians.

The sheikhs are fearful that tourists will spread the incurable AIDS virus among the city's inhabitants, according to a recent article in the Egyptian newspaper *Al-Nur*.

The article described the loose morals and provocative behaviour of foreign visitors to Egypt's so-called "sin city."

The problem of imported promiscuity became the talk of the town after local residents received facts and figures warning them of the risk of contracting AIDS in "immoral encounters" in certain sections of the city, the article stated.

If an Arab or Egyptian rents a Luxor hotel room with a woman, he must produce a marriage certificate or other identification, but this is not required of foreigners, complained

Anwar Mohammed Hussein, a member in an Islamic group and teacher in the Luxor military school, in the article.

Sheikh Abu el-Waf al-Mutawalli, the preacher in Luxor's Al-Imam mosque, told the newspaper that Egyptian students are picking up bad habits from the tourists.

Egyptian boys and girls on holiday in Luxor mix freely and the dress immodestly in tight jeans to reveal their thighs, said the sheikh.

He proposed that foreign tourists be educated in the spirit of Islamic morality through imposition of municipal ban on alcoholic beverages and a requirement for modest dress.

He also argued that information should be distributed among tourists and local residents about Islam's standards regarding dress, alcohol morality. Were such a campaign be launched, the tourists would eventually respect the country's morals, the sheikh added.



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Corruption probe winding up

'A saint could not run the Prisons Service'

By BARBARA AMOUYAL
For The Jerusalem Post

Prisons Service Commissioner Rafi Suissa has spent the last three weeks defending himself and high-level officers against what he calls "exaggerated, baseless accusations meant to undermine the good work we've achieved so far."

According to Suissa, there will always be dissatisfied individuals within the service willing to "cause trouble," as well as those "on the outside who would like to see the network fall on its face."

Suissa and several ranking officers are under investigation by Police Ministry comptroller Avraham Adan for alleged "improprieties" and the misuse of their public position for private gain.

Suissa appeared before a two-man internal investigating team on Tuesday to respond to allegations brought to Police Minister Haim Bar-Lev's attention by three former Suissa aides. The three were high enough on the Prisons Service ladder to have had an overview of Suissa's daily activities.

In what many prison officers have called "a bizarre and merciless coincidence," Shmaya Daphne was called in twice this week to testify before fraud squad investigators. Daphne, the director of the Ronnie Nitzan lockup in Ramle, is suspected, along with several other ranking officers in the Ramle complex, of granting excessive privileges to arrested financier David Balas.

Fraud squad investigators are winding up their investigation. The Jerusalem Post has learned, and a disciplinary court trial is expected for Daphne and other officers. Meanwhile, the Police Ministry team probing Suissa's alleged improprieties is expected to publish its findings by next week.

Suissa leaves Sunday for a three-week working trip to the U.S. But he will be personally notified by the ministry comptroller about the findings.

Suissa refused to speculate about the outcome of the two investigations. "We're all waiting for the truth to emerge, and for the heat to be taken off the Prisons Service," he said.

Although Suissa himself will not publicly admit to any wrongdoing ("I've devoted all my strength to this service," he told *The Post* recently, offering his appointment book as evidence of long hours dedicated to the job), those close to him insist that he "is definitely no saint."



Rafi Suissa (Brutmann)

"But then again, a saint could not effectively run this type of outfit," said one official who asked to remain anonymous. "There's always been subliminal corruption in the Prisons Service, but as long as these 'improprieties' could be controlled from within, the service faced no danger from without," the source said.

One officer, who has been in the service for eight years, said: "We've had major uprisings, murders, crooked warders and a full-scale commission of inquiry charged with recommending reforms [the Kenet Commission of 1981], but since former service commissioner Mordechai Wertheimer and now Suissa, the network has maintained an almost unbelievable record of normalcy."

He added: "By its very nature, the service is a pressure cooker, a breeding ground for problems and, yes, corruption."

Asked to comment on Suissa, the source said: "Sure he has flaws, and sometimes he doesn't go strictly by the book, but the man has never had any ulterior motives for his actions. Suissa has always worked for the good of the service."

According to another officer, Suissa has "no patience for bureaucracy" and has often settled a dispute with a prisoner "over a cup of coffee in his office at Ramle."

"This may bother the bureaucrats, but the prisoners and an overwhelming majority of Prisons Service staff find it very agreeable."

Beyond cloudy issues

By MOSHE KOHN
Jerusalem Post Reporter

U.S. President Ronald Reagan, Secretary of State George Shultz and Attorney-General Edwin Meese "are absolutely determined" that the Pollard affair and the other issues "clouding" U.S.-Israel relations should never affect the overall balance of relations between the two countries.

In that balance, "Israel is no longer regarded as a supplicant, but a factor to be supported because of a mutuality of interest, and not merely a mutuality of ideals."

This is the assessment of Morris Abram, who was elected chairman of the Conference of Presidents of Major American Jewish Organizations in June. He was here in his new capacity last week to exchange information and views with the Israeli leadership. He was accompanied by the conference's new Executive Director Malcolm Hoenlein.

Abram said it was "unfortunate that those incredible leaks" about Israel allegedly acquiring American cluster bombs illicitly, as well as Israel's alleged involvement in arms deals with Iran and official culpability in the Pollard affair were shadowing Israel-U.S. relations.

But those allegations, he said, were "totally false and outrageous, coming out of the subterranean recesses of bureaucracy."

Abram said the U.S. attorney-general was "determined to get those affairs over with, and not to let them destroy the extraordinary relationship" between the two countries. "But Meese can't control all



Morris Abram

those thousands of bureaucrats." Abram did not think that those affairs, or the General Security Service affair here, had evoked any "severe reaction" in the U.S., and he did not think they would "if they are settled soon."

Regarding the GSS affair, Abram, who is a lawyer and veteran fighter for human rights, expressed "great confidence in the Israeli judiciary" and felt that "Israel can take great pride in its democratic and legal traditions and institutions."

He emphasized that Israel's security "has become embedded in America's self-interest."

Some people point to a potential danger in this relationship, which is based on common interests rather than on common ideals, in the event that the U.S. and the Soviet Union arrive at an accommodation that includes abandoning their respective clients or allies in the Middle East.

Abram retorted: "The strategic accords [between the U.S. and Israel] have grown out of shared values, not the reverse. And long before Israel and the U.S. joined in their security alliance, Israel was attacked by its enemies in the United Nations because of its ideals, and because of the values it shares with the U.S."

Hoenlein put in: "Israel isn't going to lose any real friends because of its security mutuality with the U.S. Anybody it does lose on account of that, it was going to lose in any event."

Said Abram, "I find it impossible to envisage an arrangement between the U.S. and the Soviet Union in which the U.S. would ever sacrifice Israel. And let's hope that if the U.S. and Russia do reach an accommodation, that will include an Israel short of its enemies and enjoying peace."

Hoenlein responded, "It's ludicrous to ask Israel to change its view of the world order just to please others."

It has been alleged that American Jews, through their lobbying activities - notably the American-Israel Public Affairs Committee (Aipac) and their local political-action committees (PACs) throughout the U.S. - are a "single-issue" community, devoting themselves exclusively to pro-Israel and pro-Jewish activity. Some add that this "fact" generates anti-Israel and anti-Jewish resentment.

Hoenlein asserted "The allegation that Jews are interested only in Israel and in Jews is an anti-Semitic canard."

Diaspora leader Sacher, at 69

By MARK SEGAL
Jerusalem Post Reporter

The death on Tuesday of Michael Sacher at the age of 69 is a great loss to the Jewish people, Anglo-Jewry and the Zionist movement. With his passing, another precious link has gone in the remarkable generation of Diaspora leaders who devoted their lives to their people and the Jewish state. His personal contribution to the welfare and development of Israel was wide and varied.

Born in Manchester, Sacher was the elder son of Harry and Miriam Sacher, who with his uncle Simon Marks and his aunt Rebecca Sieff comprised the group that fostered Chaim Weizmann's Zionist and scientific work and arranged his famous meeting with Lord Balfour.

As a gesture to Weizmann, they financed the establishment of the Daniel Sieff Institute in Rehovot. It was the beginning of the Weizmann Institute of Science.

Sacher spent his childhood in Jerusalem, where his father was treasurer of the Jewish Agency. His mother, the founder of World Wizo, later endowed a number of projects in Jerusalem, principally the Harry Sacher Park.

Michael Sacher's Jerusalem childhood left him with a lifelong friendship with the late Prof. Yigael Yadin, whose Masada dig was financed by the Sacher family and

their friends at the London Observer.

Sacher was educated at St. Paul's School in London and New College, Oxford. He served in the Royal Army Service Corps in World War Two, reaching the rank of major.

He joined the family firm, Marks and Spencer, rising to become its joint managing director, a post which he relinquished after major heart surgery in 1983. He remained joint vice-chairman of the company.

Sacher was the only non-Israeli and non-American member of the Jewish Agency Executive. For decades, Michael House, the Baker Street headquarters of the family firm, was the source of the leadership provided by Sacher and his cousin Lord Sieff of Brimpton to Anglo Jewry, the British Zionist movement, and all Israel-linked activities in the UK.

Sacher was chairman of the Joint Israel Appeal between 1967 and 1975 and held honorary offices in the Zionist Federation of Great Britain and Ireland, the Jewish Colonial Association and the Jewish National Fund for Great Britain and Ireland.

He was a governor of the Weizmann Institute, the Hebrew University and the Haifa Reali School. He was also a member of the executive committee of the Weizmann Institute Foundation.

Sacher was closely involved in reviving the Jewish Agency, and

served as vice-chairman of the Founding Assembly of the Reconstituted Jewish Agency. The respect he commanded throughout world Jewry often enabled Sacher personally to bridge acrimonious differences between the Israeli and American sections of the Agency.

During the years of his active leadership, the Agency Executive often convened in London, a tribute to the personal esteem in which he was held.

Sacher did his best, not always successfully, to streamline agency activities and to curb unnecessary expenditure. However, he did manage to cut down on superfluous party-appointed agency emissaries to Britain.

Sacher remained outside Israel's political fray, except on one occasion in August 1978, when he wrote a letter to *The Jerusalem Post* attacking then premier Menachem Begin's policies and urging a change.

Begin replied in *The Post's* letter columns, and Sacher wrote again to explain why Begin's reply did not satisfy him.

Aside from his many public activities, Sacher found time to become a celebrated stamp collector, specializing in Mandate issues.

His wife, Audrey, died a year ago. They had four children and numerous grandchildren. His younger daughter, Susan, is the wife of historian Martin Gilbert.



MOMENTS. - U.S. Vice President George Bush is seen (above) hugging a young immigrant from Ethiopia at an absorption centre in Mevasseret Zion; (centre) meeting with Anatoly Shcharansky in the King David Hotel; and (bottom) overlooking the Western Wall with his wife and Jerusalem Mayor Teddy Kollek during a walking tour of the Old City. (Reuters telephoto)

Spokesman's alchemy

First, the good news

COMMENT / Charles Hoffman

Being suspicious is an occupational hazard among journalists, but it is an attitude that justifies itself time and again, especially when it comes to statements from official sources. And especially when the statements concern the establishment's own responsibility for a problem.

Thus it was with a certain degree of scepticism that earlier this week I read a statement from the spokesman's office of the Education Ministry about a report on teenage suicide. The ministry did not circulate the report itself, but only a summary of its main points.

The main point stressed in the statement was that the academic, achievement-oriented high school should not in itself be regarded as a cause of suicide among teenagers. This point was worth mentioning, the statement noted, because the pressure generated at school through competition for grades and social status were often perceived as a strong contributing factor to suicide.

This was described by the ministry as a "conclusion" reached by the panel of experts charged with examining the reported increase in suicides and suicide threats among teenagers.

This is indeed good news for the school system and the ministry, since it gets them off the hook concerning responsibility for this serious problem.

Several days later I managed to

obtain the report itself, and found a different portrayal of the situation. In the report, the statement about the role of the school as a contributing factor to suicide was not presented as a "conclusion," but only as a working assumption for discussing the problem and possible solutions.

In scientific reports, a conclusion is based on a thorough examination of the facts and a careful consideration of the factors that influence a situation. The spokesman's statement would have us believe that the expert panel had indeed examined the evidence about teenage suicides in Israel and had cleared the schools of any major responsibility.

But actually it said nothing of the sort. The experts themselves admitted that they did not have enough information even to assess the extent of teenage suicide in Israel; much less its causes. They did recommend, as experts usually do, a more intensive study of the problem.

The spokesman's office of the Education Ministry, which summarizes dozens of academic reports in statements to the press each year, should be more cautious in its treatment of scientific material. It should certainly forswear the kind of alchemy that transmutes working assumptions into hard "conclusions." Otherwise, why should we believe anything from the spokesman's office that presents the schools and the ministry in a positive light?

Gunfire in Ashkelon

ASHKELON (Itim). - Police here were summoned twice on Tuesday night to investigate shooting incidents.

Zion Buchnik, 26, was seriously wounded when shots were fired at

him from a passing car as he stood on a sidewalk in the Ramat Eshkol neighbourhood. And police arrested nine suspects after shots were reported in the Givat Zion neighbourhood.

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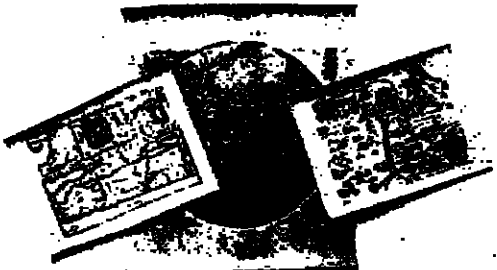


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IN BRIEF

Jewish, Arab pupils get prize for meetings

High school pupils from Sderot and Taiba have been awarded a peace prize at a ceremony at the International Youth Centre in Jerusalem. The prize, named after Dorothy and Murry Silverstone, was presented to pupils from the Amal school in Sderot and the comprehensive high school in Taiba for their participation in meetings between Jewish and Arab youngsters. (Itim)

Agriculture Ministry may leave capital

RISHON LEZION (Itim). - Agriculture Minister Arye Nehamkin has told Maayan Meir Nitzan that he intends to move the Agriculture Ministry offices from Jerusalem to the Rishon Lezion area. It was reported yesterday.

Nehamkin reportedly told Nitzan during a visit here Friday that the offices would be located next to the Volcani Institute for agricultural research near Beit Dagan.

Doctor on bail

TEL AVIV (Itim). - The head of the endocrinology unit at Ichilov Hospital was released on \$50,000 bail yesterday, after being charged in the magistrates' court here with tax evasion.

An income tax official alleged that Dr. Daniel Eilon had for years systematically failed to report income from a private clinic. The official did not object to bail for the suspect, as long as he deposited his passport with the tax authorities.

Bathers cheer - disgusting jelly fish drift north

By YA'ACOV FRIEDLER
Jerusalem Post Reporter

HAIFA. - A new Israeli invasion of Lebanon is on the way.

The jelly fish that have plagued the country's beaches on the Mediterranean, keeping bathers out of the water for the past six weeks, are moving north, apparently drifting with the currents towards the Lebanese coast.

Yesterday a survey of Haifa beaches showed that they were nearly "clean" again, with only the rearguard of the disgusting creatures still around. Beaches further south had been cleared of the jellyfish several days ago as they drifted northward.

Make your own lake



The artificial lake in the Timna Valley Park, 30km. north of Eilat, which was officially opened to the public last week. (Scoop 88)

By GREER EAY CASHMAN
Jerusalem Post Reporter

An artificial lake in the Timna Valley Park is a gift to Israel's semi-desert area from Milwaukee lawyer and land developer Avrum Chudnow.

The lake is part of a multi-million dollar project funded by Chudnow and developed by the Jewish National Fund. Last Tuesday, Chudnow and his wife Anita were guests of honour at the ceremony celebrating the completion of the lake.

Hiking trails and 11 kms of roads were completed over the past three years. Plans include the completion of a visitors' centre and camping sites.

Chudnow also envisages reopening the Timna copper mines which were closed in 1984.

When the Timna Valley Park project was adopted by the JNF of America in 1983, Chudnow pledged

\$1 million for the creation of the lake. He has already paid \$350,000 of his pledge.

His promise of \$1m. was the largest individual contribution in the history of the JNF. Chudnow has travelled all over America to raise money and believes that he has one prospective donor who will give \$5m. and another who will give \$3m.

The visitors centre should be completed before the JNF of America's national assembly is held here in February.

Samuel I. Cohen, executive vice president of the JNF of America told *The Jerusalem Post* that there were 200 participants when the first national assembly outside the U.S. was held here in 1983. Last year, there were 300; next year there will be at least 400 who will come to plant trees on Tu B'Shvat and participate in the Ben-Gurion centennial.

The secretary of the Fishermen's Union told *The Post* his men had reported with relief the disappearance of the jellyfish from the fishing grounds some distance off shore.

The creatures did considerable damage to trawl nets, filling them beyond capacity and causing them to be torn. Experts had no explanation for this year's unusually large number. Nor could they recall a similar plague in the past.

"The phenomenon warrants study to work out precautionary measures against a future invasion," a marine biologist told *The Post*. "With our present knowledge there is nothing we can suggest."

مكتبة الراس

WHICH ONE of the following would the daughter of a president of the West German Bundestag be least expected to do: smuggle illegal literature out of the Soviet Union, tell a KGB interrogator he was an idiot, walk through Mea She'arim getting marriage proposals from ultra-Orthodox Jews, read Yiddish literature in Yiddish, or feel sorry she was not Jewish? Cornelia Gerstenmaier has done it all.

Her curriculum vitae does not read like a typical German's, but it hardly could read the way it does in any country other than post-war Germany. Gerstenmaier was born in 1943 into one of the most prominent families in Germany. Her father, Eugen Gerstenmaier, a politician and Protestant theologian, was a member of the anti-Nazi "Confessing Church" in the Third Reich and was involved in the abortive attempt on Hitler's life on July 20, 1944. For this he was sentenced to seven years in prison by the Nazi regime. After the war, and his liberation, Gerstenmaier became a Christian-Democratic member of the first Bundestag in 1949 and the parliament's president in 1954, a position he held until 1969. He died earlier this year, aged 79.

"I was strongly shaped by my parents' home," Gerstenmaier recalls. Still, one wonders which impact was stronger: the parental influence or the daughter's urge to win her own freedom of action. For all the outward influence her family had on her, on her beliefs, and her actions, she went her own way.

Eugen Gerstenmaier had resisted the Nazis, but by no means from a leftist point of view. A conservative politician, Gerstenmaier felt he was a German patriot and favoured a strong national consciousness in his country. Some Germans, suspicious

of nationalist thinking after the Nazi era, were wary of Gerstenmaier. His own daughter's reaction was even more extreme: she lived a life largely detached from the problems of her native country.

YOUNG CORNELIA'S first step away from German affairs was her keen interest in Slavic nations, in particular the Russians. While originally reflecting a teenager's feeling of responsibility because of German aggression in World War II, Cornelia's involvement in Russian affairs soon became a way of life. After studying Eastern European history, Russian and Sovietology, Gerstenmaier became a staff member of the German East European affairs monthly *Ost-Probleme* in 1966. Gerstenmaier's father was not enchanted with her choice of career. He had wanted Cornelia to study theology and philosophy as he had. Nevertheless, the young Sovietologist advanced rapidly in her profession, becoming in 1968, at the age of 25, editor-in-chief of *Ost-Probleme*.

Between 1966 and 1970, Gerstenmaier had intensive personal contacts with the Soviet Union. In 1966, she studied for a half-year at Moscow's Lomonosov University. She saw not only the official face of the Soviet Union, but the real life in Russia as well, going to places which foreigners were not supposed to see, like backward *kolkhozes* without electricity, and seeing dissidents. After that, she regularly visited the Soviet Union until getting caught with a batch of illegal *samizdat* literature which she tried to smuggle out of the USSR. Assuming that she would be sent to a labour camp anyway and, accordingly, feeling nothing was to be lost, she called her interrogating KGB officer an idiot and asked him to bring in a less dumb

superior. Her wish was granted, but she still was released and expelled from the Soviet Union for good.

Gerstenmaier, however, remains committed to the cause of human rights in the Soviet Union. At present she is the president of "Kontinent," a German association for the defence of human rights in Eastern Europe and the editor of the German *Kontinent* quarterly, which also has a Russian language sister publication. Blending a thorough command of Russian and an intimate knowledge of the Soviet Union, Gerstenmaier is one of the leading Sovietologists in Germany.

ON THE personal level, however, Gerstenmaier's deeper link is with the Jewish world and Israel. The longest of her more than 20 visits to Israel, in 1971, was a turning point in her life. She stayed for half-a-year, interviewing immigrants from the Soviet Union. "Had my mother not called me back because she was ill, I may have stayed for good," she muses.

She did more than just come to see the Jewish state. Even prior to her visits, Gerstenmaier had studied the Jewish religion and culture. Here again, a sense of historic responsibility was the starting point, leading to a growing fascination.

In her early twenties, Gerstenmaier started learning Yiddish in order to discover the Jewish world that had been destroyed by the Nazis. "What else can you do, if you are a German?" she explains. She

A most unusual woman

Bundestag president's daughter has done it all

VLADIMIR STRUMINSKI/Bonn

mastered the language well enough to read the Yiddish classic writer, S. An-ski, in the original. Her Hebrew never reached that level, but is not totally strange to her either.

While people should not be judged by their looks, they often are. Cornelia Gerstenmaier's appearance has played a role in her life. A strikingly Mediterranean type, she has been repeatedly regarded as a Jewess, by Gentiles as well as by Jews, including David Ben-Gurion. Attending the funeral of Konrad Adenauer in 1967, Israel's first premier visited the home of the president of the Bundestag, Cornelia's father. When Ben-Gurion saw Cornelia, he spoke to her in Russian, but the Israeli guest was not aware of her identity. "What are you doing here?" he demanded to know. Cornelia's reply, "I live here," did not satisfy him. "Why do you live here? Come and live in Israel," the old statesman rebuked the girl he thought was Jewish. Even after the mistake was set straight, Ben-Gurion invited Cornelia to visit Sde Boker and mend fences or herd

sheep. While striding through Mea She'arim on her first visit to Jerusalem, Cornelia, who has always dressed in long skirts and long sleeves, was time and again approached by Orthodox match-makers who offered her their services.

Not all the mistakes were amusing, however. In 1967, while she was travelling through Poland on her way to Moscow, a Polish border guard cursed Gerstenmaier as a Jewess and spat in her face. On two occasions she narrowly escaped bodily harm by hostile Arabs who thought her Jewish.

GERSTENMAIER has not settled in Israel, or converted to Judaism, but she considered both. At one stage, she was engaged to an Israeli, but the relationship did not work out. She has remained unmarried. Still, her personality does bear a distinctly Jewish-Israeli mark. On some key issues, her reactions are those of an insider, rather than an outside observer.

While incorporating values of Judaism in her own view of the world, she fumes at Orthodox coercion in Israel very much the way secular Israelis do.

On the other hand after her father's death, she found consolation in partially observing the Jewish custom of *shiv'a*.

Here is not an easy identity. Without pretending to be Jewish, she is sorry that she is not. On the religious level, her search for identity has been going on for some time. At the age of 25, she converted to Catholicism. Her Protestant theologian father, while respecting her decision, did not conceal his discomfort, commenting: "I do not understand what you are looking for with these Papists." Now she, herself, is not so sure, either. "With Catholicism, I feel like I am married to the wrong man." This first crossing of religious lines has been a reason for her hesitation to convert to Judaism. "I did not want to appear as a perpetual convert," she explains.

AS FAR AS her national identity goes, she hardly feels German. Despite a keen interest in politics, she is not involved in the political life of Germany and rules out joining a political party.

Her involvement in Eastern Europe's human rights struggle was instrumental in sharpening her criticism of West European naiveté in dealing with dictatorships. On the other hand, Russian emigrés some-

times rebuke her for being "too Westernized."

In her personal life-style, she is even much more bourgeois than the vast majority of West Europeans. In addition to her conservative dress, her way of life in many respects invokes the image of the 14th century. The large Gerstenmaier family house near Bonn, in which she lives, contains many works of art - hardly contemporary art, however.

Gerstenmaier's radical departure from her parents' traditional political views did not repeat itself in the personal sphere. After a youth without adventures, discotheques and drugs, Gerstenmaier admits that her life-style is conservative, "in the sense that I do not like the modern piebization of life." This holds true of her manner of speaking as well.

Her German is remarkably elegant and uncommon, sometimes old-fashioned, very much the heritage of the 19th century tradition in which Gerstenmaier's parents had been raised themselves and had handed down to their children.

Gerstenmaier writes a great deal in German which may, in fact, be the strongest link between her and her native country in a complicated identity pattern spanning Germany, Israel and Russia, different religions, political activity and a growing disillusionment with the possibility of influencing policies.

The long fight for an identity has kept Gerstenmaier busy, but has not made her life happy. At 43, she does not think that happiness is a permanent condition. Anyway, viewing her life as difficult but fulfilled, she sums up: "I should be satisfied." It sounds courageous but sad.

Setbacks for ETA

Tom Burns/Madrid

IN THE Basque country a lot of people know the words of a song that commemorates the 1973 assassination by the separatist ETA movement of Admiral Luis Carrero Blanco, General Franco's right-hand man and prime minister.

It is a drinking song, sung in Euskera, the Basque language, and the refrain, "Up, up he goes" is marked by people flinging their berets or sweaters in the air.

Carrero Blanco was killed by a landmine which tossed the car he was travelling in over the four-storey-high Jesuit church in Madrid where he had been attending morning mass. It was the most audacious strike by the Basque separatist movement until last week.

The likelihood is that another zestful song will be composed in time for this summer's fiestas in the Basque country's pueblos. The lyrics will be about how, one Monday in July 1986, ETA peppered the facade of Madrid's defence ministry with seven anti-tank grenades fired from the roof rack of a Citroen parked in a cul-de-sac 300 metres away.

Last week's rocket attack against the huge, concrete nerve-centre of Spain's national security did little physical damage. A naval officer sitting by his desk was cut by flying glass, and another eight people were hurt when the car-cum-rocket-launcher subsequently blew up.

But the attack had incalculable propaganda value for *Euskadi Ta Askatutuna* (Basque Homeland and Freedom), not least because it came at a time when ETA desperately needed a morale boost. Contrary to what some headlines might suggest, the recent escalation of ETA terrorism in Madrid (the previous Monday, 10 young civil guards were killed by a car bomb) could be an admission of weakness rather than a show of force.

SECURITY officials believe that ETA has been forced to step up the activities of its so-called "Spain Commando," clandestinely based in Madrid, because it is reeling from the combined effects of arrests, defections, deaths and deportations. ETA, the argument runs, is desperately seeking a negotiated settlement that will allow the organization, founded in 1959, to proclaim a ceasefire without losing face.

The "Spain Commando" could have as few as half-a-dozen members. It could have many more. Police are unsure, although they do know that it has an intricate infrastructure of safe houses in Madrid, as well as funds, weaponry, cars and a wealth of false identities. Police are also certain that "Spain Commando" is the sole experienced and battle-hardened operating unit that ETA has left.

Of the 25 killings carried out by ETA so far this year, all but five have been the work of the "Spain Commando" in Madrid.

Although police have so far failed to trap the terrorists in the capital, they have been remarkably successful in rolling up commandos in the Basque country and in uncovering arms caches. Nearly 500 ETA members are in prison right now.

ETA has been further weakened by the defection of an estimated 250 former members of the organization who have, since the start of the decade, applied for individual pardons under the government's policy of "social reintegration" for terrorists who forswear violence.

What has most hurt ETA, however, has been the dirty war activities by hired guns in the organization's once-safe haven in south-west France, and the parallel crackdown by French authorities on the 800-strong Spanish Basque refugee community.

The border towns of Hendaye, St. Jean-de-Luz and Biarritz had traditionally been the "R and R" bases and planning centres for the separatist movement. But recently a shadowy network known as the Anti-Terrorist Liberation Groups, composed mostly of French gangsters and allegedly financed from Spain, murdered 20 ETA members in France in 1984 and in 1986 in tit-for-tat reprisals that followed killings claimed by the separatist movement.

The French government, for its part, had deported 37 senior ETA members to far-flung locations - the most recent was Domingo Iturbe, ETA's 42-year-old reputed leader, who was put on a plane to Togo, West Africa at the beginning of the month.

THE successive blows that ETA has undergone have fuelled what officials in Madrid believe is a last-ditch strategy of escalating violence in order to bring about negotiations. Prime Minister Felipe Gonzalez, however, put paid to that last week: "Let there be no illusions about the possibility of negotiations with a band of assassins. The government does not negotiate under the threat of blackmail."

Officials say, nevertheless, that once the "Spain Commando" is captured and the level of violence consequently reduced to a minimum, "generous" political initiatives will be undertaken to win over Basque opinion.

These initiatives are likely to include greater home rule powers for the Basque country whose autonomous government, run by moderate Basque nationalists, already enjoys considerable administrative prerogatives. More individual pardons for repentant ETA members may also lie ahead.

The real Basque problem is not so much ETA's bombs, but the way that separatist violence is celebrated in folk songs by a significant minority of Basques. In last month's elections, Herri Batasuna (Popular Unity), the radical nationalist group that acts as ETA's political front, polled just over 300,000 votes and more than 20 per cent of the votes cast in some areas.

(London Observer Service)

New UN chief sought

David Julius

THE UNEXPECTED quadruple coronary by-pass performed on UN Secretary-General Javier Perez de Cuellar last week clears the way for someone else to head the world body when his current term expires at the end of the year.

Earlier, it was expected that the Security Council would ask him to stay on, although until now he had not made his intentions clear.

Britain, the U.S., France and the Soviet Union were believed to consider that it would be easier to ask him to stay on for another five years

rather than select someone else. However, China, the fifth permanent member of the council, is said to have had some reservations.

Perez de Cuellar had planned, before his operation, to visit China early in September after attending the non-aligned meeting in Zimbabwe.

The UN chief, who will be 67 next January, became secretary-general in January 1982. His first major task after assuming office was to try to resolve the Falklands dispute between Britain and Argentina, but he has had little success in the area of solving international disputes since he took office.

(London Observer Service)

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In the Supreme Court, sitting as the High Court of Justice, before Justice Aharon Barak, Justice Shoshana Netanyahu and Justice Eliezer Goldberg, in the matter of Yair Tzaban M.K., petitioner, versus the Minister for Religious Affairs and Rabbi Ovadia Yosef, respondents (H.C. 732/84).

THE SECOND respondent, a dayan (religious court judge) and a member of the Council of Tora Sages, acted as an adviser to the heads of various political parties, and maintained contacts with other political leaders on party issues. According to the petitioner, the rabbi even decided whether the Shas party should join the government coalition, and met with the prime minister on this matter.

The petitioner protested to the Knesset and the prime minister against the respondent's political activity, but without result. He also protested to the respondent himself, and received a reply from the director of rabbinical courts, who declined to deal with the respondent's actual political activities, but maintained that in principle they were lawful and proper.

The petitioner then moved the High Court of Justice for an order declaring that the respondent's political activities were unlawful, and incompatible with his office as a dayan.

The respondent did not deny the activities alleged, but maintained that it was incorrect to allege that it was he who actually decided whether Shas should join the coalition or not. He stated that although he gave advice, he had no power to implement his recommendations. As a rabbi, he advised everyone who consulted him, including political leaders.

He pointed out that he had no intention of deciding the nature of the government or its composition; however, as a rabbi and religious leader, he wished with all his heart that religion were accorded its proper weight and influence in any Israeli regime. His contacts with the prime minister and others, he said, were not within the framework of practical political activity, but were based on his standing as an influential religious leader, consulted by prominent persons who were guided by his advice.

He also argued that his activities

NO POLITICS FOR DAYANIM

LAW REPORT
Asher Felix Landau

were lawful, even for a judge. But even if they had been unlawful for a judge, they were lawful for a dayan who, being a rabbi, was obliged to be involved in the life of the community and advise all who sought his help.

The minister of religious affairs submitted that any political activity by a judge or dayan was forbidden, as laid down in the State Service (Restriction on Party-Political Activity and Fund-Raising) Law of 1959.

THE FIRST judgment of the court was given by Justice Aharon Barak.

Counsel for the petitioner contended, he said, that a dayan was in the same position as a judge. He was above the people, and his independence and the fear of his being influenced demanded his abstention from all political activity. It was true, counsel said, that under the Dayanim Law of 1955 a dayan had to be a rabbi, but once appointed he was obliged to stop all political activity.

Counsel for Rabbi Yosef had argued that even a judge is entitled to be politically active, but that in any case a dayan could not be compared with a judge. A dayan is a rabbi, and as such is actively involved in the daily affairs of the community. He makes decisions, and gives advice to all who turn to him. This function is not confined to matters of kashrut, mourning, and personal status, but embraces questions of religion and the state.

Counsel also argued that the State Service Law of 1959 does not apply to dayanim and that in any case the respondent's activities complained of were not covered by that law.

Justice Barak said he would examine the matter at issue on the basis of the facts as presented by Rabbi Yosef himself. The question was, therefore, whether giving advice and guidance on political matters was consistent with the status of a dayan.

He would first consider this question in relation to a judge, and then decide whether the same conclusion applied to a dayan. There was some doubt whether the State Service Law applied to judges and dayanim. There was no point in pursuing that aspect, since Rabbi Yosef's activities did not fall within the statute. He was not, for example, active in the

management of a party or political body, and did not organize public political meetings or other activities proscribed by the statute.

IT FOLLOWED from the concepts of our constitutional regime - the democratic nature of the state, and the acceptance of the principles of equality, freedom, and the rule of law - that an independent and impartial judiciary was the very basis of our legal system.

As stated in section 2 of the Basic Law: The Judiciary, a judge is answerable to the law alone. The independence of the judiciary ensures fairness in judgment in accord with a judge's declaration upon appointment "not to pervert the law and to show no favour".

Independence also assists the judiciary to keep the "checks and balances" lying at the root of the principle of the separation of powers. A vital condition for an independent judiciary is public confidence - the belief that the judges administer justice according to law, fairly, impartially, with no hint of personal interest in the result.

Without public confidence in the high moral standards of the judiciary, the courts cannot function. As Justice Frankfurter of the U.S. Supreme Court said: "The court's authority - possessed of neither the purse nor the sword - ultimately rests on sustained public confidence in its moral sanction."

Another American judge, Justice Markey, said, "The judiciary has no armies. Its abilities to render justice, to protect the people's liberties against abuse by any group and by other branches of government, to cement the public adherence to the law, all depend on its lifeblood: respect for its moral authority."

PUBLIC confidence, went on Justice Barak, is the most precious possession not only of the judiciary, but also of the people, for as Balzac once said, loss of confidence in the judiciary is the beginning of the end of society.

Public confidence does not mean popularity. It means the impartial administration of justice based not on the identity of the parties but on

the weight of their arguments. The judge does not take sides. He does not seek to uphold his own power, but the rule of law. The need to retain public confidence is continuous, for any serious error in this regard can have grave results.

Moreover, it is not only the judge's behaviour in court that is at issue, but his general conduct. To be a judge is not only to perform a duty - it is a way of life. Conduct permissible for an ordinary citizen may be forbidden for a judge, since it may weaken public confidence in the judiciary as a whole.

Winston Churchill once said, "A form of life and conduct far more severe and restricted than that of ordinary people is required from judges and, though unwritten, has been most strictly observed. They are at once privileged and restricted. They have to present a continuous aspect of dignity and conduct. Far more freedom is granted by the convention of our way of life to members of parliament, to ministers or privy councillors... The judges have to maintain, though free from criticism (in parliament), a far more rigorous standard than is required from any other class that I know of in this realm."

OF COURSE, Justice Barak continued, one must not exaggerate and go from one extreme to another. One must not build a wall between a judge and the community of which he is part. Although he is sometimes in an ivory tower, it is a tower in the hills of Jerusalem and not on Olympus in Greece. He is a citizen, and a good judge must be a good citizen. He must take his place in building society, but in so doing must confine himself to activities which will not shake public confidence in the courts.

Public confidence is not measured by the judge's subjective feeling that he is being fair. It must be measured by objective standards. The judge must not only be convinced that he is acting fairly, but also that his inde-

pendence, fairness and impartiality are seen by all.

Here he again quoted an American jurist, this time Judge Learned Hand, "If judges were as detached as Rhadamanthus himself, it would not serve unless people believed that they were."

He also reverted to the Markey judgment: "In the dichotomy of appearances and realities, the public's current approach to its judges does not permit it to perceive that justice is being done if the public be limited to observation of the performance of the judge *qua* judge. Few of the public understand the judicial process or are capable of distinguishing the good judge from the poor solely on the quality of his or her judging. For much of the public, appearances are all it has to go by. In virtually every instance of reasonably asserted conflict between unethical appearances and ethical realities, appearances must win."

IT IS AGAINST the background of all the above principles, continued Justice Barak, that the question at issue must be answered. No comprehensive answer can be given, for it depends upon the societal conceptions of different peoples. According to the traditions of some peoples there is nothing wrong in a judge giving political advice.

Moreover, conceptions change, and what was once accepted is no longer tolerated. For instance, the first chief justice of the United States, John Jay, was also secretary of state, and advised Washington on state matters. While a judge, he stood for election as governor of New York state, and acted as ambassador in England. All this would be inconceivable in our times. The question must therefore be answered against the background of our national life in Israel today.

In his opinion, said Justice Barak, a judge who gives advice on political matters to political personalities or bodies does serious injury to public confidence in the judiciary. He is entitled to his political opinions; which he expresses in the ballot box, but he may not express them otherwise, either publicly or in private. A

litigant holding different political views will not feel himself an equal among equals.

Thus, a committee under the chairmanship of Justice Moshe Landau constituted to examine judicial ethics had laid down that a judge shall not appear as a lecturer, or participate in an open discussion on everyday political matters which are the subject of public controversy, or lecture to bodies with a clear political identification.

It is even more inconceivable that he would give political advice to a political party. It is immaterial if the advice is given openly or secretly, for secrets are not kept, and the very giving of the advice contradicts basic constitutional conceptions. The credibility of the judge will be damaged initially among those who consult him, and in due course in the community as a whole.

A judge who acts thus damages public confidence in the judiciary and the fabric of life in a democratic society. We have a high degree of political activity, and there is an atmosphere of suspicion between the different political trends. These conditions demand that the judge be "above the people," detached from party political activity.

THE LAST question, said Justice Barak, was whether there was any distinction between a judge and a dayan in the present context. Rabbi Yosef's counsel had relied on a Supreme Court judgment of Justice Kister that rabbis who are members of the Chief Rabbinate Council were permitted to give rulings not only in matters of religion but in all matters, including politics.

There was nothing in the Dayanim Law of 1955 on the point at issue, and he would assume, said Justice Barak, that the State Service Law mentioned did not apply to dayanim.

In his opinion, the normative principles applying to judges applied equally to dayanim. The dayan too was part of the judicial arm. He was not an arbitrator but a judicial officer who functioned under the law, and exercised jurisdiction not only over the religious section of the community but over the community

as a whole. He, therefore, was obliged to act so as to enjoy full public confidence.

The relationship between the functions of a rabbi and a dayan was complicated, and had accompanied the Jewish people for generations. However, the question of public confidence in dayanim had now to be decided according to the conceptions of the community living in Israel today, and on that basis there was a complete separation between those functions.

Indeed, in presenting the Dayanim Law to the Knesset, the then minister of religious affairs, Dr. Zerah Warhaftig, had stressed the government's decision to separate the functions of rabbis and dayanim. The above decision of Justice Kister, therefore, had no direct relevance to the present case.

Justice Barak proposed that the court make the declaration sought by the petitioner.

JUSTICE Shoshana Netanyahu and Justice Eliezer Goldberg concurred.

The latter said that a rabbi appointed as a dayan performs two duties. He is a spiritual leader and teacher: "I make them know the statutes of God and His laws" (Exodus 18:16) and also a judge: "and I judge between a man and his neighbour" (ibid.).

However, it was not the definition of the duties that was important, but the material distinction between them. The rabbi exercised moral authority over those who consulted him, while the authority of the dayan stemmed from the law, and was imposed on the litigants who appeared before him.

It was this distinction that precluded a dayan from engaging in politics. A dayan who does so not only tarnishes the image of the judiciary as independent and impartial, but offends the basic principle of the separation of powers in the state.

The court granted the petition, and made the declaration sought, with no order as to costs.

Dr. Michael Cheshin appeared for the petitioner, advocate Renato Yarak, director of the High Court Division of the State Attorney's Office, for the minister for religious affairs, and advocate Shlomo Toussia-Cohen for Rabbi Yosef. Judgment given on July 10, 1986.

Volunteering gone awry

Jonny Woolfson

FRICION between kibbutz volunteers and their host communities has been increasingly evident in recent years. According to many kibbutzniks, the reality of the kibbutz is constantly misunderstood. "You have to stay here for at least five years to really know this place, to get the smell of it," said one kibbutz member.

Ideas about the kibbutz vary considerably among prospective foreign volunteers. For Zionist youth movements in Great Britain, for example, the image of the good old camp fire still burns strong. Members still sit around one every year, somewhere in Wales, awaiting the time when they can do the real thing in Israel.

For those that come into less direct contact with Zionism, the kibbutz is not simply seen as the home of socialist ideology and communal living, but the haven of hippy culture. A place where everything, but everything, is shared, from love to the aptly-named joint. Kibbutz is fashionable, too. English students who take a year off to visit India or stay on a kibbutz have more "street credibility" than those who worked in a MacDonald's.

The kibbutzniks' perceptions of volunteers, on the other hand, and especially of English volunteers, is often hostile. Many see them as emissaries from "Maggie's army," members of Britain's three million unemployed, who come out here for want of anything better to do, and who regard the kibbutz as a free meal ticket or a great place to get drunk in.

Life for kibbutz volunteers seems

to vary considerably. After a few months on a southern kibbutz, Andy, a 22-year-old with a broad cockney accent, met a native kibbutz girl at a disco evening. Two days later, Andy, who is not Jewish, was asked to leave. After a year and a half, however, he is still there, his girlfriend having threatened that "If he goes, I go too."

"I first came here because I was interested in socialism. The kibbutz doesn't live up to this ideal. It's an unfair society. Volunteers are generally regarded with scepticism or indifference," complains Andy.

Andy explains that it has taken him two years to be even vaguely accepted by the members, and even now there is still some ambivalence in their relationship.

"Many kibbutzniks have given up trying with the volunteers. They've decided that volunteers just get drunk, chase girls and smoke hash. They regard the kibbutz as a big family and their attitude is 'We don't want any of that in our family.' There is unspoken pressure for the young kibbutzniks to leave the volunteers well alone. I predict that in three years' time there won't be any volunteers on this kibbutz."

Proposals to halt the volunteer programme have been in the air ever since the recent precedent set by Kibbutz Deganya. Nowadays volunteers have to work as many hours as members, and on some kibbutzim the minimum age requirement has

been raised from 18 to 21, and the maximum period of stay reduced to three months. A list, now famous amongst English volunteers, hangs on the wall of the volunteers' office in Tel Aviv, stating those kibbutzim who refuse to play host to them.

Debi, who after 10 months' volunteering is regarded well enough to be allowed to work in the children's house, argues that there are only a few hedonists amongst the volunteers.

"Some volunteers treat it like a holiday camp. It's not a good attitude. This is what gives us a bad name. They're only a minority, but unfortunately we are regarded as a separate social group, and one bad apple..."

At first Debi was shocked and disillusioned by kibbutz life. A non-Jew, she came here out of an interest in Judaism and a commitment to socialism. A student of the social sciences, she was attracted to the communal lifestyle about which she had read. Instead, she found all the inequalities she had seen in other societies.

"Even since I've been here I've noticed fewer and fewer people eating in the communal dining-room. The decision by Artzi kibbutz for children to sleep at their parents' home rather than in children's houses is considered progressive. For me, this is moving away from the whole ideology of the kibbutz. If you've read in the textbooks about the idealism of the kibbutz, then whatever you do, don't come here."

Debi, however, is certainly one of the more successful volunteers from



A volunteer at Kibbutz Ginosar helps harvest bananas.

(Richard Nowitz)

the kibbutz point of view. As her work improved (from the factory to the fields to the shop to the children's house), so she postponed her return to university in England and is now staying for two years. She has a smattering of Hebrew and a long-stay permit in the shape of her kibbutznik boyfriend.

For Debi and Andy, the kibbutz lifestyle offers freedom, an escape from financial problems, reasonable work, and the opportunity to meet a wide variety of people.

One volunteer manager admitted that there were some exceptionally committed and hardworking volunteers. However, these "committed" volunteers are often those who have formed close relationships with kibbutzniks. There is therefore the threat of intermarriage and that the couple will move away. The recent birthday celebration of a northern kibbutz witnessed the return visit of an astonishing number of ex-

volunteer - ex-kibbutznik couples.

To opponents of the volunteer scheme, if volunteers are not "taking our children away," then they are making nuisances of themselves. Two Norwegians were recently thrown off a southern kibbutz for killing a particularly verbose chicken, whose clucking was disturbing their stupor.

"The quality of volunteers has certainly declined in the last few years," comments volunteer manager Sarah Cohen. "We would prefer Jewish volunteers or Israeli youth groups with some kind of commitment, but we can't get them. These people are here for a holiday, as they are quite prepared to tell you."

Some volunteers, however, have no complaints. They are well-treated by the kibbutzniks, invited into their homes and to social events. Others argue that if there is a problem, it is one of communication and social background rather than commit-

Moving the earth

NEGEV NOTEBOOK
Liora Moriel

DESPITE THE general stagnation of the Negev in recent years, at least two local industrial plants are showing increased levels of production and export sales: Negev Phosphates, a subsidiary of Israel Chemicals Ltd.; and Netafim, the drip-irrigation systems producer from Kibbutz Hatzorim.

Negev Phosphates are currently the biggest earth-moving concern in the country. The company moves 35 million tons of earth annually, which yields some 4 million tons of varied grades of phosphates. More than half (2.5 million tons) go directly to overseas markets while the rest are sold in Israel, mostly for agricultural use.

"Just to give you an idea, when the Americans built the three new Air Force bases in the Negev they only moved 2.5 million tons of earth all told," explained Daniel Yakir, general manager of Negev Phosphates.

The company supplies five per cent of the world demand and hopes to increase this figure by one or two per cent in the next century, when the new mines near Arad will begin operations. "Our policy is to invest on the average a figure equivalent to the amortization of the equipment," added Yakir. This means a yearly investment of over \$15m.

This year, part of this money went to purchase heavy earth-moving trucks from Canada. So far, seven 100-ton Euclid trucks have been bought, and three 170-ton models are to follow, along with several gigantic shovels, which Yakir said will be the largest in Israel. The price, approximately \$800,000 for the largest truck, is like that of a tank.

The plant employs 1,440 workers and is under government pressure to increase the number of employees from Yeroham at its Oran mine, which is close to the town.

The Netafim plant at Kibbutz Hatzorim is already exporting drip-irrigation systems to 52 countries and has recently added China to its exports roster. The company expects to double its sales this year to \$30 million, a third of which will go abroad.

Netafim was set up 21 years ago and now employs 125 workers in three United Kibbutz Movement kibbutzim. From a modest beginning (just 30,000 acres using drip irrigation techniques worldwide) the company today successfully markets systems designed to irrigate half a million acres - and plans to double this figure by 1990. The Israeli statistics are just as impressive: in 1970, only ten per cent of Israel's farmers used drip-irrigation systems, compared to 85 per cent today.

Netafim spends some five per cent of its budget on research and development, and this seems to be paying off. It has won the tender to plan, supply and implement the world's largest single drip-irrigation project at the Paloma Ranch in southwestern Arizona. The project will require 22 million drippers and 30 million metres of drip tubing.

Upper Galilee Regional Council
Ministry of Education and Culture
Public Council for Culture and the Arts
Israel Broadcasting Authority

UPPER GALILEE CHAMBER MUSIC DAYS, 1986

Beit Ha'am - Kfar Blum, August 3-9

Violin: Yigal Tureh (Israel Quartet), Raphael Marcus (Israel Quartet), Elav Priel, Ora Shiran (Israel Chamber Orchestra), Gil Sharon (Holland). Viola: Atar Arad (Cleveland Quartet), Yossi Gutman (West Germany), Ze'ev Steinberg (Israel Quartet), Gilad Karni, Cello: Catalin Ilea-meier (Philharmonia Hungarica), Doron Toister (Israel Sinfonietta, Beersheba), Raz Cohen, Alexander Kaganovsky (Israel Quartet), Double Bass: Gabriel Volé (Israel Philharmonic Orchestra), Guitarist and conductor: Doron Salomon (Britain), Piano: Evelyn Brancard (USA), Pinna Saltzman, Jonathan Zak, Idith Zvi, Clarinet: Eli Eban (Israel Philharmonic Orchestra), Flutes: Uri Shoham (Israel Philharmonic Orchestra), Oboe: Robert Pade (Philharmonia Hungarica), Bassoon: Liza Shalev, Trumpet: Ian Eshed, Percussion: Gene Cipriani (Israel Chamber Orchestra), Chen Zimbalista, Singers: Lily Tureh (Soprano), Mira Zakai (Contralto), Wynford Evans (Tenor - Britain), Michael Rippon (Baritone - Britain), Harpsichord: Zarmi Ravid.

□ Sunday, Aug. 3, 9.00 p.m.
Bach - Brandenburg Concerto No. 3
Partos - "Legend" for Viola, Piano and Percussion
Beethoven - Quartet in D major, Op. 18, No. 3
Mozart - Quintet in A major for Clarinet and Strings, K. 581.

□ Monday, Aug. 4, 9.00 p.m.
Rachini - Quartet No. 6 in F major for Flute, Clarinet, Horn and Bassoon
Bartok - Sonata for Two Pianos and Percussion
Schubert - Quintet in C major for Strings, D. 958

□ Tuesday, Aug. 5, 9.00 p.m.
Business programme
Variations on a theme by Haydn for 2 Pianos, Op. 568.

Quartet in G minor for Piano and Strings, No. 1, Op. 25
Trio in E-flat major for Piano, Violin and Horn, Op. 40
Love Song Waltzes for 4 Voices and Piano - four hands, Op. 52

□ Wednesday, Aug. 6, 8.00 p.m.
Boccherini - "Fandango" Quintet in D major for Guitar and Strings
Beethoven - Serenade in D major for Flute, Violin and Viola, Op. 25
Shostakovich - Seven Poems for Soprano, Violin, Cello and Piano, Op. 127
Tchaikovsky - Suite for Violin and Piano, Op. 25
Glinka - Trio Pathétique in D minor for Clarinet, Bassoon and Piano

□ Thursday, Aug. 7, 9.00 p.m.
Haydn - "London" Trio in G major for Flute, Violin and Cello
Dowland - Five Galliards for Tenor and Guitar
Britten - Six Songs from the Chinese for Tenor and Guitar, Op. 58
Purcell - Sonata in D major for Trumpet, Strings and Continuo
Maxwell Davies - Eight Songs for a Mad King, for singer-actor and six instruments

□ Friday, Aug. 8, 5.00 p.m.
Paganini - Terzetto in D major for Violin, Cello and Guitar
Bartok - Entr'acte for Flute and Guitar
Saint-Saens - Septet in E-flat major for Trumpet, Piano, String Quartet and Double Bass, Op. 85

Schubert - Quintet in A major for Piano and Strings, D. 807 - "The Trout"

□ Saturday, Aug. 9, 8.00 p.m.
Glinka - Wild Appaloosa - A Small Galilee Anthology for Contralto, Violin, Viola, Cello, Flute and Percussion
Mozart - Quartet in E-flat major for Piano and Strings, K. 483
Bach - Z. Steinberg - String Quartet Fugue from "The Art of the Fugue"

□ Sunday, Aug. 10, 9.00 p.m.
Goled - "So you want to write a fugue?" for four voices and string quartet
Beethoven - Septet in E-flat major for Strings and Wind Instruments, Op. 20

* Programme subject to change.

Transport will be provided for guests at hotels in the region.
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Life under the microscope

THERE AND THEN
Sraya Shapiro

IT IS LIKE living under a microscope. Any trivial event in Israel is immediately broadcast, out of all proportion, to the four corners of the earth for people with a scant understanding of the local situation.

But it's not only current events which capture the public's attention. The IDF publishing house and Modan have recently put on sale a three-volume *Encyclopedia le'Toldot Eretz Yisrael* in which they invested half a million dollars. They say they are confident of recouping their investment in no time for a work compiled by 50 scholars over six years. They told the press recently that there is a growing interest in the history of Palestine in this country and as evidence, they offered the short *History of Eretz Yisrael*, written by one of the editors of the present venture, which sold 150,000 copies in a few years.

Given the nature of a work divided alphabetically into terse, but lively written accounts of the events, the dramatic scope of the history of Eretz Yisrael emerges only after a careful perusal of the contents. It is a story of great hopes and terrible slaughter. The order to destroy Amalek was given in tune with the time-honoured traditions of the area. Nebuchadnezzar (we would call him an Iraqi today) showed his humanity by deporting the bulk of the Jews after killing only their leaders. Every time Jerusalem changed hands, many thousands perished by order of the victors -

Allenby and Motta Gur are notable exceptions.

Europeans spreading their culture were faithful to the tradition: Napoleon, not yet the Great, ordered the extermination of 3,000 prisoners outside Jaffa walls. The forefathers of many native Palestinians were Jews, Christians or Samaritans before yielding to the iron fist of Mameluke (themselves converts) despotism. The story of the Syrian - then called Greek - oppression which the Maccabees ended is celebrated yearly at Hanukkah. No wonder an atavistic fear of unbridled terrorists such as Fatah still exists.

Reaction to tyranny took different forms. One is tempted to label some of them escapism. John the Baptist, according to Dr. Menahem Mor, was probably an Essene, who retired into the desert to purify his soul and body and bring himself, and his fellow Jews, closer to God. Those who qualified he immersed in the waters of the Jordan river - Jesus the Nazarene was one of them. Dr. Mor would not call John the Baptist a Christian. Why did the Romans kill him and his ilk? Probably, because the call to conscience undermined the rule of tyranny.

THE ZEALOTS in the Old City of Jerusalem a century ago expected to

keep their identity by fighting immigrants who brought with them a more modern way of life. They were successful. Professor Menahem Friedman writes, because the Ashkenazi community in Jerusalem lacked a firm leadership, Rabbi Shmuel Salant, the umbral head of the Ashkenazim, held little power over the celebrated rabbis who had settled in the Holy City.

The zealots, sure of their destiny as defenders of the faith, felt no restriction from any authority other than that of the non-Jewish secular rulers of the day. They made life miserable for emissaries from Germany or England who tried to teach the immigrants languages and arithmetic to enable them to work for a living. But when such "outsiders" volunteered to help the zealots (*kana'im*), the latter often turned the tables against their own leaders.

Zealotry, the actions of the weak to preserve their species, have their emulators to this day - on both ends of the political spectrum. Should not a Yossi Sarid be called a zealot? Or a Ronnie Milo? No, the *Encyclopedia* does not deal with them, its scope ends with the eve of World War I.

Compiled by scientists, the *Encyclopedia* editors feel the need for the safe distance of history to describe things. But they need not worry. The present is so reminiscent of the past that one must pray that the leaders of today acquaint themselves with history in order to avoid the pitfalls of human frenzy.

BASEBALL: Chisox win and deal

Kittle joins 'well-dressed' Yanks

NEW YORK (AP). — The Chicago White Sox broke an eight-game losing streak Tuesday night on the strength of a two-run homer by Ron Kittle, who then was traded to the New York Yankees in a six-player deal.

Kittle's homer, his 17th, capped a three-run third inning and backed the strong pitching of Joe Clevary as Chicago ended its longest skid since 1978 with a 4-1 victory over struggling Boston. The Red Sox have lost 10 of their last 12 games.

"I knew I was gonzo," said Kittle after the game. "I have no control over the matter. I'll go to the Yankees and do the best I can. At least the Yankees have a better-looking uniform."

AMERICAN LEAGUE
Tigers 6, Indians 3
Dave Bergman's bases-loaded pinch single lifted Detroit over Cleveland. Bergman sent a slow bouncer to third baseman Brock Jacoby, whose throw skipped past first baseman Joe Carter, allowing two runs to score.

Blue Jays 5, Royals 2
Toronto's Dave Stieb, 3-10, showed the form that won him the league earned average title last season pitching a 4-hitter through 6 2/3 innings.

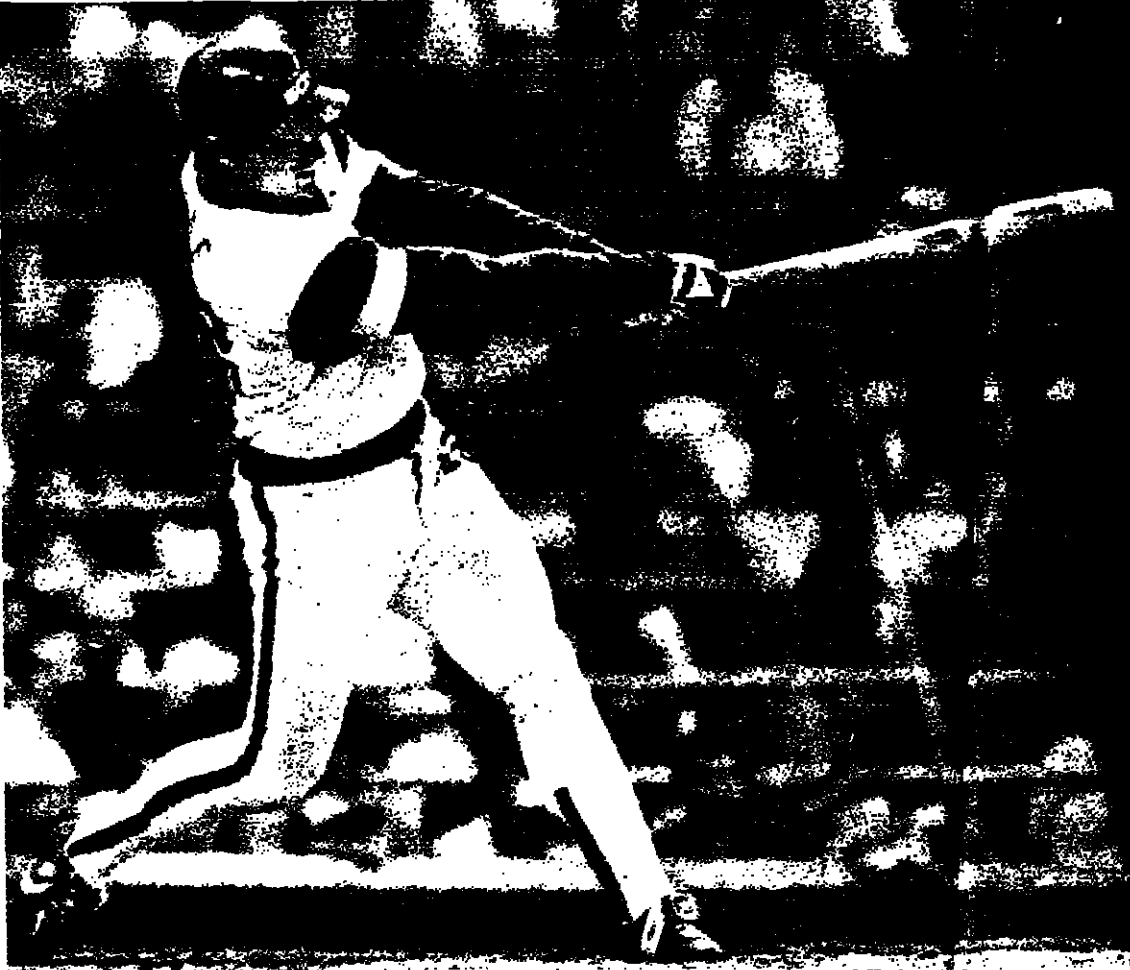
Brewers 6, Yankees 4
A two-run homer by Rob Deer capped a five-run first inning and Gorman Thomas also homered to back Danny Darwin, 6-6.

Twins 4, Mariners 2
Minnesota's Kent Hrbek hit a two-run homer and Kirby Puckett tripled, double and singled to back Frank Viola, 11-8, who gave up two runs on six hits in 6 2/3 innings.

Rangers 6, Orioles 5
Scott Fletcher's double off the left-field wall with two outs scored Oddibe McDowell from first base.

NATIONAL LEAGUE
Mets 3, Cubs 0

Cubs 2, Mets 1
Ron Darling, 11-3 scattered six hits in pitching his second shutout of the season, and Len Dykstra hit a two-run fourth-inning single for New York in the opener. The Mets maintained a 16 1/2-game lead in the NL East.



PINSTRIPES FOR GONZO. — White Sox outfielder Ron Kittle drills a third-inning two-run homer to pace Chicago over the Boston Red Sox, one team who won't be happy with his post-game trade to the New York Yankees.

Phillies 12, Cardinals 7
Von Hayes hit his second career grand slam and drove in five runs. Juan Samuel hit three-run homer and Glenn Wilson a two-run shot to lead a 14-hit Philadelphia attack.

Braves 1, Astros 0
David Palmer spaced four hits over 7 1/3 innings, and Dale Murphy hit his 15th home run to power Atlanta over Mike Scott and Houston.

Padres 2, Reds 1
Gary Templeton lined a two-out single in the ninth to drive in pinch-runner Jerry Royster from second base.

AMERICAN LEAGUE EAST

	W	L	Pct.	GB
Brewers	51	46	.526	—
New York	50	47	.510	1 1/2
Baltimore	49	48	.500	2 1/2
Cleveland	48	49	.490	3 1/2
Detroit	47	50	.484	4 1/2
Toronto	46	51	.479	5 1/2
Minnesota	45	52	.463	6 1/2

WEST DIVISION

	W	L	Pct.	GB
California	51	46	.526	—
Texas	49	48	.510	1 1/2
Kansas City	48	49	.500	2 1/2
Chicago	47	50	.484	3 1/2
Oakland	46	51	.479	4 1/2
Seattle	45	52	.463	5 1/2
Minnesota	44	53	.457	6 1/2

TUESDAY'S GAMES: Detroit 6, Cleveland 3, 11 innings; Chicago 4, Boston 1; Texas 6, Baltimore 5, 12 innings; Toronto 5, Kansas City 2; Minnesota 4, Seattle 2; Milwaukee 6, New York 4; Oakland 4, California 2.

NATIONAL LEAGUE EAST

	W	L	Pct.	GB
New York	50	47	.510	1 1/2
Philadelphia	49	48	.500	2 1/2
St. Louis	48	49	.490	3 1/2
Chicago	47	50	.484	4 1/2
Pittsburgh	46	51	.479	5 1/2

WEST DIVISION

	W	L	Pct.	GB
Houston	50	47	.510	1 1/2
San Francisco	49	48	.500	2 1/2
San Diego	48	49	.490	3 1/2
Cincinnati	47	50	.484	4 1/2
Los Angeles	46	51	.479	5 1/2
Atlanta	45	52	.463	6 1/2

TUESDAY'S GAMES: New York 3, Chicago 0, 1st game; Chicago 2, New York 1, 2nd game; Pittsburgh at Montreal, ppd.; Philadelphia 12, St. Louis 7; Atlanta 1, Boston 0; San Diego 2, Cincinnati 1; Los Angeles 2, San Francisco 1.

COMMONWEALTH GAMES

Record eludes Sarah

EDINBURGH (AP). — In the pool, the disappointment was etched on Sarah Hardcastle's face when she whirled round to see her time on the giant poolside scoreboard.

It showed that after nearly 8:24.77 minutes of breathtaking effort in the 800-metre freestyle, she had missed Tracey Wickham's eight-year-old world record by 0.15 of a second. She was only a fingertip short.

At least Hardcastle had the satisfaction of breaking the European record and being almost certain to be leading medal-winner in the pool with two golds, two silvers and a bronze. She finished almost five seconds ahead of Australia's Julie McDonald, who clocked 8:29.52. Third was another Australian, Jennie Burke.

Yesterday was the final day in the games' swimming competition with three men's and two women's events being decided as well as two diving competitions. Hardcastle's triumph, and an upset victory by the women's 4x100 metre medley relay team, enabled England to take a slender lead in gold medals in the overall games table.

England had 27 golds, with Australia 26 and Canada 25. Australia and England were tied at 71 on the total number of medals with Canada third on 67.

Track and field had a rest day, but double Olympic champion Sebastian Coe has withdrawn from the Commonwealth Games 1,500 m. event because of a throat infection, and his participation in today's 800 m. final is in doubt.

The decision spells the end of the eagerly-awaited double clash between Coe and world and commonwealth 1,500 m. champion Steve Cram, which was expected to be one of the highlights of the games. Even if he runs in the 800 m. final, he is not likely to be fit enough to mount much opposition to Cram or United Kingdom champion Peter Elliott, also of England.

Grandmother Nell Hunter, at 71 the "Grand Old Lady" of the Games, proved yesterday that age is no handicap in the sport of lawn bowls. The Canadian, the oldest competitor in the entire Games, earned a special cheer from the crowd at Balgownie, the bowls venue, when she finally broke her duck in the women's singles after a run of four defeats.

Hunter, taking part in her first Games after a 39-year involvement in the sport, summed up the spirit of the event after she had beaten Jersey's Margaret Blazemann 21-18.

RUGBY

Keeping fit

By JACK LEON

TEL AVIV. — There has been no break in training this summer for Israel's national rugby squad, with players working out regularly on the beach at Herzliya in order to keep fit for the winter's three week tour of France organized by the Israel Rugby Football Union.

The expense-paid trip is being made at the invitation of the French Rugby Union, marking the first-ever official tour by an Israeli rugby team since the Irfu was founded in 1971. The national squad of 35 players will resume intensive training under coach Alan Polatinsky next week. Irfu president Cyril Morris told me last night. The practice will continue until the start of the 1986/87 rugby league season early in November, with final trials for the six-match tour taking place later that month.

The invitation for the trip followed last winter's visit here of French union president Albert Ferrasse, who, after watching local players in action, felt their standard was high enough to merit matches between Israel and French second division rugby clubs.

WHEELCHAIR GAMES

Iranians ejected

BERRY LEWIS
LONDON. — Iranian disabled athletes have been banned from the International Stoke Mandeville Wheelchair Games for demonstrating at the opening ceremony held last Sunday.

Amid accusations that some of their athletes are not even disabled, the team were told that their demonstration during which they shouted slogans and waved pictures of Ayatollah Khomeini as well as displaying placards about their war with Iraq and denouncing imperialism were not keeping with the games' spirit.

Their demonstration was filmed by a four man Iranian television crew.

The thirty fifth wheelchair games are being staged at the famous Stoke Mandeville Hospital which specializes in the treatment of the disabled. Some 640 athletes from 40 countries are participating, including a large contingent from Israel.

LEAGUE LEADERS

AMERICAN LEAGUE

BATTING (235 at bat) — Reggie, Boston, .352; Mattingly, New York, .342; Rich, Boston, .332; Fletcher, Texas, .329; Puckett, Minnesota, .328.
RUNS — Henderson, New York, 94; Puckett, Minnesota, 72; Mattingly, New York, 71; Pini, Philadelphia, 67; Bell, Toronto, 66; McDowell, Texas, 64.
REB — Callesco, Oakland, 81; Bell, Toronto, 77; Joyner, California, 74; Barfield, Toronto, 72; Mattingly, New York, 72.
HITS — Mattingly, New York, 144; Puckett, Minnesota, 139; Fernandez, Toronto, 133; Bell, Toronto, 125; Rice, Boston, 124.
DOUBLES — Mattingly, New York, 35; Rice, Boston, 29; Boggs, Boston, 27; Backner, Baltimore, 26; Anderson, New York, 26; Rignani, Baltimore, 26.
TRIPLES — Butler, Cleveland, 8; Fernandez, Toronto, 7; Walker, Chicago, 6; Ornes, Seattle, 6; Wilson, Kansas City, 6.
HOME RUNS — Barfield, Toronto, 25; Callesco, Oakland, 23; Pini, Philadelphia, 23; Bell, Toronto, 22; Barbet, Minnesota, 22; Klapars, Oakland, 22; Parrish, Detroit, 22.
STOLEN BASES — Henderson, New York, 59; Campbell, Chicago, 41; Pini, Philadelphia, 23; Wilson, Kansas City, 23; Mattingly, Toronto, 22; Reynolds, Seattle, 23; Moseley, Toronto, 22.
PITCHING (8 decisions) — Clemens, Boston, 17-2, .895, 2.58; Rasmussen, New York, 12-2, .857, 3.30; Schuman, Cleveland, 11-2, .846, 3.94; Saxe, Red Sox, 7-7.
STRIKEOUTS — Clemens, Boston, 161; Moseley, Detroit, 145; Wise, California, 134; Moshman, Seattle, 133; McCaskill, California, 131.
SAVES — Aase, Baltimore, 26; Rignani, New York, 23; Hernandez, Detroit, 19; Harris, Texas, 15; Stanley, Boston, 14; Henke, Toronto, 14.

NATIONAL LEAGUE

BATTING (235 at bat) — Brooks, Montreal, .337; Raines, Montreal, .337; Dykstra, New York, .336; Gwynn, San Diego, .336; Brown, San Francisco, .334.
RUNS — Gwynn, San Diego, 63; Hayes, Philadelphia, 62; Davis, Cincinnati, 59; Raines, Montreal, 59; Murphy, Atlanta, 58; Parker, Cincinnati, 58; Schmidt, Philadelphia, 58.
HITS — Gwynn, San Diego, 128; Sax, Los Angeles, 123; Raines, Montreal, 121; Moss, Houston, 119; Parker, Cincinnati, 117.
DOUBLES — Hayes, Philadelphia, 23; Darnell, Chicago, 24; Strawberry, New York, 24.
TRIPLES — Gwynn, San Diego, 9; Reed, Philadelphia, 8; Coleman, St. Louis, 7; McGee, St. Louis, 7; Dykstra, New York, 6; Morero, Atlanta, 6.
HOME RUNS — Parker, Cincinnati, 23; Schmidt, Philadelphia, 22; Davis, Houston, 21; Stobbs, Los Angeles, 19; Marshall, Los Angeles, 18.
STOLEN BASES — Coleman, St. Louis, 66; Davis, Cincinnati, 54; Raines, Montreal, 44; Darnell, Los Angeles, 36; Darnell, Boston, 34.
PITCHING (8 decisions) — Robinson, Cincinnati, 8-1, .889, 2.26; Kerfeld, Houston, 7-1, .875, 2.34; Ojeda, New York, 11-2, .846, 2.26; Fernandez, New York, 12-3, .800, 3.84; Darling, New York, 8-3, .769, 2.79.
STRIKEOUTS — Scott, Houston, 187; Valenzuela, Los Angeles, 147; Ryan, Houston, 126; Welch, Los Angeles, 118; Younts, Montreal, 115.
SAVES — Reardon, Montreal, 22; Wengert, St. Louis, 20; Smith, Houston, 17; Smith, Chicago, 17; Franco, Cincinnati, 16; Gossage, San Diego, 16.

FOOTBALL: American Bowl

Landry relives old times

LONDON (AP). — The last time Dallas Cowboys head coach Tom Landry visited London was in 1944. Then he was a World War II bomber pilot, aged 20, serving with the U.S. Air Force.

Based at Ipswich, 111 kms east of the British capital, Landry made frequent trips into London. They were fun trips, a chance to forget for a while the dangerous missions across the English Channel to France, Holland and Belgium.

"I used to go into London a lot during those times," Landry recalled. "I came here in October 1944 and flew B-17's until the end of the war. I remember Buckingham Palace and all around Piccadilly Circus even though London was all blacked out then."

Landry is in London with his Cowboys for a pre-season clash against Superbowl champions Chicago Bears at Wembley Stadium on Sunday. The match, given the full backing of the NFL and dubbed "American Bowl '86", was sold out early May. Eighty thousand football fans from all over England, Scotland and Wales will travel to London at the weekend for the game.

Both teams arrived on Monday with Landry and his Bears' counterpart Mike Ditka promising that British fans would have a chance to see at first hand the likes of running backs Tony Dorsett and Walter Payton, and quarterback, Jim McMahon and Danny White during Sunday's game.

But the one player all of Britain wants to meet, greet and buy a fish and chips for this week is William "the Refrigerator" Perry. On Tuesday he was mobbed by reporters and photographers at training and then by scores of autograph hunters.

"I call the plays, I watch the defence to see how it's reacting so I don't see Tony Dorsett run the big run, or make the big catch. So the fans look at me and they think there's something wrong with me."

"But it's just that I'm concentrating on the play — and the plays that are coming up — rather than plays that have just been run."

All of Wembley will be trying to pick off that stoneface this weekend when the Cowboys tangle with the Bears.



MY BODYGUARD. — Police Constable Dave Sackman, who has been assigned to escort the Chicago Bears during their stay in London, keeps an eye on William "the Refrigerator" Perry during the Bears' practice at Crystal Palace Stadium yesterday. The Bears meet the Dallas Cowboys at Wembley Stadium Sunday. (Reuters telephoto)

'36 Olympics runner ends 50-year wait for award

SEOUL (Reuters). — A 74-year-old Korean who won the marathon at the 1936 Berlin Olympic Games is finally to receive his prize, an ancient Greek helmet, South Korean Olympic officials have announced.

Sohn Kee-Chung's 50-year wait for the bronze Corinthian helmet, which he could not receive at the time because of Olympic rules against professionalism, will end on August 17 in West Berlin.

The West German Olympic Committee will present him with the 2,600-year-old helmet at a ceremony marking the anniversary of the Games, the officials said.

They said the International Olympic Committee (IOC) offered the prize before the race but then changed its decision. The two countries' Olympic committees have been discussing the issue for the last 18 years with IOC approval, while the helmet has been sitting in a West Berlin museum with Sohn's name engraved on it.

TODAY'S ENTERTAINMENT

TELEVISION

EDUCATIONAL:
9:00 Keep Fit 9:10 Making Magic 9:30 Don Quixote, Man of La Mancha (part 1)
10:00 The Treasure Seekers (part 1)
10:30 TV Game (repeat) 14:30 Keep Fit 14:10 Nature programme 14:35 Surprise Train 18:00 Fox TV (part 1) 18:25 Futura (part 5) 18:30 This is it — live magazine 17:00 A New Evening — live magazine
CHILDREN'S PROGRAMMES:
7:30 Kidd Video
18:00 It's Your Move
18:25 A Look at Gila
ARABIC-LANGUAGE programmes:
18:30 News roundup
18:32 What's the Answer?
18:45 Inventions and Innovations
19:00 Meeting — current affairs
19:30 News
HEBREW PROGRAMMES resume at 20:00 with a news roundup
20:02 That's Incredible
20:45 Programme Trailer
21:00 Mabat Newsreel
21:30 Documentary — Decade of Destruction. The destruction of tropical forests (part 1)
22:20 Newspaper Report
22:35 Vanderbilt Final episode of a 6-part Canadian drama. starring Michael Hogan
23:25 News
JORDAN TV (unofficial):
17:30 Courtois 18:00 French Hour 19:30 News in Hebrew 20:00 News in Arabic
20:30 Amanda's 21:10 55 Line Street
22:00 News in English 22:20 Feature film
MIDDLE EAST TV (From T.A. north):
13:30 Woody Woodpecker 14:00 700 Club 14:30 Shape Up 15:00 Afternoon Movie: You Can't Beat Love 16:30 Speedwoman 17:00 Flying Horse 17:30 Puppets 18:00 Lucy 18:30 WKRP 19:00 News 20:00 Hardcastle & McCormack 21:00 Sixty Minutes 22:00 Moonlighting 23:00 700 Club

RADIO

Voice of Music
6:02 Morning Melodies
7:07 Dorak: Excerpts from "American Suite"; Seibert: Silesian Dances; Liszt: Recoyo March
7:30 Rosalini: "The Trip to Rome"; Brahms: 2 Songs; Maria: Variations; Beethoven: Romance No. 2 (Suk); Tallis: 3 Motets; Schmitt: Elegy; Delius: Dance of Life; Ben-Haim: Nocturne; Verdi: Excerpts from "Aida"
9:30 All-Isra'el programme — "Dante's Symphony" (Giuseppe Romanello); Piano Concerto No. 1; 3 Songs by Holne (J. Baker); "Favist" Symphony (Gwendolyn/Mazur)
12:05 The Young German Philharmonic Orchestra — Zimmermann: Concerto for Strings (1948); Haydn: Cello Concerto (M. Masek); Josef Tal: "Marcel" for Strings
13:00 Haydn: Symphony No. 57; Hoffmeister: Flute Concerto (Loriot); Wieniawski: 2 Capricos Etudes, Op. 18 (Perlman, Zukerman); Schubert: Octet (Cleveland and guests)
16:05 Meeting Musicians
16:00 Yaron Windmueller, baritone; Michael Boguslavsky, piano — Brahms: "Die schoene Magelone", Op. 33
17:30 Choralini: "Anacoreta", overture; Brahms: String Sextet, Op. 18 (Cleveland, Zukerman, Greenhouse); Schumann: Humoresque, Op. 20 (Aa); Dvorak: Violin Concerto (Perlman, London/Barenboim); Grotto: "Grand Canyon" Suite (Utah/Albanel)
20:05 A. Scarlatti: Symphony No. 2; Vivaldi: Concerto for 2 Violins (Stern, Zukerman)
20:30 Mahler: Five Ruckert Lieder (Fischer-Dieskau, D. Barenboim); Mozart: Piano Concerto No. 20, K. 466 (Parahiel); Bruckner: Symphony No. 4 (Cleveland/Gustafsson)
23:00 The Golden Generation (no details available)

First Programme

6:03 Programmes for Olim
7:30 Favourite Old Songs
8:05 Compans — with Benny Hendei
9:05 Hebrew songs
9:30 Encounter — live family magazine
10:30 Programme in Easy Hebrew
11:10 Hebrew songs
11:30 Education for all
12:05 Oriental songs
13:00 News in English

13:30 News in French
14:05 Children's programmes
15:30 Speaker's Podium
15:53 Notes on a New Book
16:05 Middle East Crossroads
17:20 Everyman's University
18:05 Jewish Traditions
18:50 Bible Reading
19:05 Lesson in Torah
19:30 Programmes for Olim
22:05 Every Man has a Star — with astrologist Ian Pecker
Second Programme
6:12 Gymnastics
6:30 Editorial Review
6:53 Green Light — drivers' corner
7:07 This Morning — news magazine
8:05 Puss in Sandals — children's programme
9:05 House Call — with Rivka Michaeli
10:05 All Shades of the Network — morning magazine
12:10 Open Line — news and music
12:00 Midday — news commentary, music
14:05 Matters of Interest — with Gali Gazit
16:05 Magic Moments
16:05 Made in Israel — Hebrew song request
17:10 Economics Magazine
18:05 Any Questions?
18:51 Today in Sport
19:05 Today — radio newsreel
19:35 This Week in the Knesset
20:05 Roots — folklore magazine
22:05 Yiddish songs
23:05 Between Ourselves
Army
6:05 University on the Air
6:30 Open Your Eyes — songs, information
7:07 "707" — with Alex Ansky
8:05 Good Morning Israel
9:05 In the Morning — with Eli Yisraeli
10:05 Coffee Break
11:05 Right Now — with Rafi Reshet
13:05 Daily Hit Parade
15:05 Daily Meeting — with Ori Yaniv
16:05 Four in the Afternoon
17:00 Evening Newsreel
17:50 Sports Magazine
18:05 Economics Hour
18:40 Songs of IDF Troops
19:05 Songs
20:05 Music — classical rock
21:00 Mabat — TV newsreel
21:30 University on the Air (repeat)
22:05 Popular songs
23:05 Night, Night — with Yoav Kutner
00:05 Israeli at Night — with Eli Yisraeli

WHAT'S ON

Notices in this feature are charged at NIS 6.50 per line including VAT. Insertion every day of the month costs NIS 138 per line, including VAT, per month.

JERUSALEM
MUSEUMS
ISRAELI MUSEUM. Exhibitions: Kotef Hinnom — treasure facing Jerusalem's walls; "A Man and His Land," Moshe Dayan Collection; Signals and Wonders — 50 years of Kol Yisrael; Joel Kantor, Photographs of Israel; One Hundred Works on Paper, from Museum's collection; Indian Paintings from Poley Collection; Permanent Display of Israel Art; Art in Context, audio-visual programme; News in Antiquities; Of Netot Mitzvah, Light in Jewish ritual; From the Depths of the Sea (Rockefeller) Big and Small, relative sizes in life, art and children's world; Jewels of Children's Literature; Permanent exhibitions of Archeology, Judaica and Ethnic Art.
9:05 House Call — with Rivka Michaeli
10:05 All Shades of the Network — morning magazine
12:10 Open Line — news and music
12:00 Midday — news commentary, music
14:05 Matters of Interest — with Gali Gazit
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19:35 This Week in the Knesset
20:05 Roots — folklore magazine
22:05 Yiddish songs
23:05 Between Ourselves
JERUSALEM MAP HOUSE. Old City, 7 Beit El St. 288338, 423547, Roberts, Turner, etc.
Conducted Tours
HADASSAH — Hourly tours of the Chagall Windows at Kiryat Hadassah on the half hour. * Information, reservations: 02-416333, 02-446271.
HEBREW UNIVERSITY
1. Tours in English at 9 and 11 a.m. from Administration Building, Givat Ram Campus. Buses 9, 28, 24 and 16.
2. Mount Scopus tours 11 a.m. from the Bronfman Reception Centre, Sherman Building. Buses 9, 28, 48, 28 and 23 to the first underground stop. Further details: Tel. 02-582219.
AMT WOMEN (formerly American Mizrahi Women). Free Morning Tours — Tel Aviv, Tel. 2207, 223154.
WIZO. To visit our projects call Tel Aviv, 223293; Jerusalem, 226060; Haifa, 88817.
PIONEER WOMEN — NAKAMAT, Morning Tours. Tel Aviv, 210791; Jerusalem 248678.
WIZO. To visit our projects call Tel Aviv, 223293; Jerusalem, 226060; Haifa, 88817.
HAIFA
Museums
HAIFA MUSEUM. 28 Shabbat Levy St. Tel. 04-623255. Exhibitions: Modern Art, The Hot and the Cool in Israel Art, Ancient Jewish Cities of the Second Temple Period, Egyptian textiles, terracotta figurines, Shiloh's finds, Mosaic and Ethnology — Jewish costumes, 20 porcelain pieces from the Fala and Netan Cank collection, U.S.A. Open: Sun-Thur, Sat, 10:10-1:40, Tue, Thur, and Sat. Also 5-8 Ticket, includes admission to National Maritime and Japanese Museums.
WHAT'S ON IN HAIFA. dial 04-640840.

Information Centres

UJA INFORMATION CENTRE. 1 Ibn Gabirol St., Rehavia, Jerusalem. Features TV news programmes from the U.S. and Israel. New and enlarged Israel Art Collection Selection; Edward Munch, prints; Death, Love and Anxiety; 0 Print Into Print, works by six Israeli artists; 0 Frank Stella — 40 years of prints after El Lissitzky; 0 The Museum's collection of Classical, Impressionist, Post-Impressionist and contemporary art. Visiting Hours: Sun-Thur, 10:2-5:30. Fri, 10:2-4:00. Sat, 10:2-4:00. Closed Sunday. For more information call 02-249465, 02-249795.

TEL AVIV

MUSEUMS
TEL AVIV MUSEUM. Exhibitions: Israel Collection, new and enlarged Israel Art Collection Selection; Edward Munch, prints; Death, Love and Anxiety; 0 Print Into Print, works by six Israeli artists; 0 Frank Stella — 40 years of prints after El Lissitzky; 0 The Museum's collection of Classical, Impressionist, Post-Impressionist and contemporary art. Visiting Hours: Sun-Thur, 10:2-5:30. Fri, 10:2-4:00. Sat, 10:2-4:00. Closed Sunday. For more information call 02-249465, 02-249795.
BETH MATEFUTSOV. Klausner St., Ramat Aviv, Tel. 03-425161. Buses No. 13, 24, 25, 27, 45, 48, 74, 79, 274, 572. 0 Permanent Exhibit and Chronosphere — 2500 years of Jewish Life in the Diaspora; 0 From Carthage to Jerusalem — the Jewish Community of Tunis; 0 Passage Through China — the Jewish Communities of Harbin, Tientsin and Shanghai.
VISITING HOURS: Sun, Mon, Tue, Thur, 10 a.m.-6 p.m.; Wed, 10 a.m.-7 p.m.; Fri, 10 a.m.-2 p.m. Closed Saturday. Guided tours must be prearranged.
Conducted Tours
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WHAT'S ON IN HAIFA. dial 04-640840.

CINEMA

Sinking fortunes

World's shipyards face bleak future

DUNKIRK, France (Reuters). — European shipyards are steeling themselves for a new round of closures, as governments lose patience with handing out heavy subsidies to prop up the ailing industry, shipbuilding analysts say.

World economic recovery has passed the shipbuilders by and new trading patterns and a large fleet of mothballed carriers have pushed back prospects for new orders into the 1990s.

Few European shipyards expect to survive that long. In this northern French port, eight centuries of shipbuilding are set to end by 1987 — threatening to turn a busy waterfront of workshops, dry docks and towering cranes into an industrial wasteland.

The sight is already familiar in the once-proud ports and riverside towns of Europe. But the problems are not confined to the West. From the Sea of Japan to the Baltic, recession and fierce Far Eastern competition are biting into the order books, a Reuters survey shows.

Even the Asian shipyards, which themselves contributed so much to the downfall of European shipbuilding, are suffering. World leaders Japan aims to reduce capacity 20 per cent by March 1988, officials in Tokyo say. Industry sources said improved technology in South Korea was making it hard for Japan to compete because of higher labour costs.

In Taiwan, the state-owned China Shipbuilding Corp. has not received any new orders in the past 11 months and prospects are bleak. Chairman William Wei says.

But while other countries cut

back, China is emerging as a serious competitor. It increased output by an annual 13.6 per cent over the last five years and plans to almost double its exports during the 1986-90 period from 1981-85, officials said.

Many countries cut capacity after the 1973 oil shock which depressed trade and reduced demand for oil tankers.

But the recent recovery in world trade has failed to filter through to shipbuilding orders. One analyst in Paris says it would take several years for the slack of unused ships to be taken up and a balance restored between supply and demand.

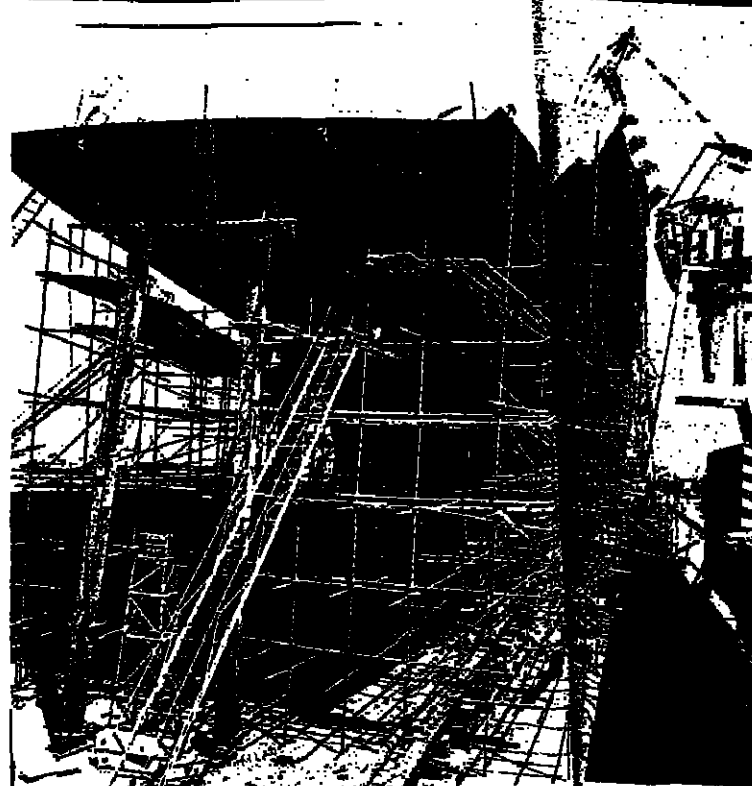
The crisis comes as many European governments are moving towards more market-oriented economies and cutting subsidies to loss-making industries.

France's new right-wing government announced last month it would cut shipbuilding aid — estimated at 3,500 per worker per year. Within days, one of the country's two main shipbuilders, Chantiers du Nord et de la Mediterranee, went into receivership, putting at risk its Dunkirk and Mediterranean yards and some 7,000 jobs.

Last week, West Germany's fourth, largest shipping group, Harmsdorf, followed the same road by announcing it was putting its three yards into receivership.

Officials warn that the whole industry may collapse unless it gets government help as incoming orders are at an all-time low. By 1990 demand for ships under the West German flag could be halved, a study by the Bremen-based Institute of Shipping and Logistics said.

In Britain, jobs and yards also



A ship under construction in Haifa: Fewer orders, and fewer government handouts bode ill for the world's shipyards. (Karen Or)

have disappeared, with the Conservative government reluctant to continue support. The country's state-owned British shipbuilders announced plans in May to axe over a third of its workforce — some 3,495 jobs. It said the lack of new orders would force the closure of yards in Northeast England and Scotland.

Britain built more than half the world's merchant ships 40 years ago, but last year it was 17th in the world shipbuilding league with less than 1 per cent of the market.

In the early 1970s, Sweden trailed only Japan among the world's shipbuilding nations, today it accounts for less than 2 per cent of the market. Despite heavy state subsidies during the past decade and subsequent nationalization of all the big yards, Sweden has fought a fruitless battle

Boeing flying high with 70% of market

SEATTLE (AP). — Outside the hangars of the Boeing Co.'s plant are a pair of radar jets in the U.S. air force gray and a dozen new passenger planes, tails bright with the livery of airlines from around the globe.

Boeing is flying high and, along with it, the fortunes of the surrounding community whose economy is tied to the fate of the world's largest commercial jet maker.

As Boeing marks its 70th anniversary, there is little talk of hard times. Boeing, riding a record year of orders in 1985 for 390 aircraft worth nearly \$15 billion, forecasts 1986 orders to exceed \$16b. At the end of 1985, the company had a backlog of \$25b. in orders and a cash reserve.

Boeing stock recently was trading above \$60 a share, a six-fold increase in four years. For the first four months of 1986, Boeing claimed 70 per cent of the world's publicly announced commercial aircraft orders.

Thomas Craig, market research director for the company's Boeing Commercial Airplane Co. subsidiary, predicted it would retain a 55 per cent market share of all new airplanes sold. In August, Boeing delivers its 5,000th commercial jet, a 737-300 to the Dutch airline KLM.

Why the success?

"They kept their eye on the ball — that is basically 95 per cent of the answer," said aerospace industry analyst Wolfgang Demisch of the New York investment firm First Boston Corp.

"Basically, they focused on being the best in their niche, and that kind of focus, if actively pursued, pays dividends."

In March, Frank Shrontz took over as Boeing's chief executive officer. Shrontz, a 54-year-old lawyer who likes to speak of Boeing in terms of meeting challenges and seizing opportunities, is blunt when asked how long the sweet times might last.

"I don't think we can ignore the fact that things can turn down in our business about as fast as they can turn up."

Shrontz said making planes and weapons is a cyclical business. "For the easily foreseeable future, what I see happening is a leveling off of the defence-business growth, if not an actual decline, and an increasing growth on the commercial side," he said.

But, he added, "the airlines continue to buy airplanes when the times are good and they stop buying them when times are bad. I don't see that changing."

The history of Boeing, incorporated July 15, 1916, is inseparable from modern aviation.

Boeing Model 40s flew mail in the

THE TAX BURDEN

Deducting for R&D expenses

By JEFF BROIDE

Expenditure on research and development, in principle, of a capital nature and therefore not deductible for income tax purposes. Up to the 1981 fiscal year, industrial companies were permitted to deduct expenses incurred on scientific research for the development or advancement of their business, subject to certain restrictions. When the R & D expenditures had been approved or recommended by the National Research and Development Council, it could be claimed in the tax year in which it was incurred.

The law was amended substantially, effective in the 1981 fiscal year, to encourage investment in R & D. The amendment permits the deduction of expenses — capital or revenue — "incurred on scientific research in the fields of industry, agriculture, transportation or energy" where approved by the appropriate government authority, in the year in which incurred.

Any individual or company is entitled to the R & D deduction under the following conditions:

- In the case of a company, such expenditures are deductible by the owner when the research is carried out by the company itself or by someone else contracted by the owner, in either case with the necessary government approval.
- If the R & D is conducted for the development and advancement of an enterprise, but merely for research purposes, the expenses incurred are deductible only if the government participates in the financing of the research by way of grant or loan.
- In the case of someone who finances the research of another he may claim a deduction, provided that the investor receives in exchange some right to the fruits of the research, and the government participates in the financing by way of grant or loan. The deduction allowed must be reduced by the amount of the government's participation, and the expenses incurred must be reasonable in relation to the results. It should be noted that receipt of a government grant for R & D is not taxable where the foregoing provisions apply.
- Only expenditure on scientific research will be deductible in three equal annual instalments. This includes instances where government approval has not been obtained or R & D expenditure other than the four detailed above.

The taxpayer who is entitled to the R & D deduction may deduct the total amount actually paid; funds budgeted are not deductible until actually paid.

While the law does not define R & D, the tax authorities have issued an internal directive on the topic, stipulating that the expenses must be incurred directly for carrying out scientific research and development. It does not include non-deductible private or capital items.

Generally speaking, there is no restriction, however, where the taxpayer merely finances the R & D carried out by another. Then the deduction may not exceed 40 per cent of taxable income. In addition, when a taxpayer makes donations to charitable institutions or invests in participating units under the Elscint Law, then the amounts permitted as deductions or tax credits may not exceed 45 per cent of taxable income. It should be noted that we have not dealt here with the tax shelter afforded by the so-called Elscint Law, particularly as those unit-investments raise many economic and tax doubts and, in any case, are frozen until March 31, 1987.

The tax surcharge *mas yesef* of 10 per cent, levied in the 1985 tax year, raises an interesting question as to the amount of withholding tax to be deducted from dividends paid to foreign shareholders. The tax authorities stipulated that 10 per cent should be added to each payment or deduction at source through March 31, 1986.

However, this resulted in increased taxes at source on dividends, including those paid to overseas shareholders. Many foreign shareholders are liable to taxes governed by double-tax treaties between Israel and the relevant country. These treaties invariably set maximum tax rates on dividend income, usually ranging from 15-25 per cent. This led to an unusual situation: an income tax amendment stipulated increased taxes at source while the double-tax treaties may not be circumvented by way of additional surcharge or any other new taxes levied, and that the maximum rates stipulated in the treaties are sovereign.

Foreign shareholders who, in fact, were incorrectly charged with the additional tax surcharge are entitled to a full refund of the surcharge. It should be pointed out that the receipt of dividends by foreign shareholders — resident in countries who have not concluded double tax treaties with Israel — is liable to the extra surcharge during the 1985 tax year, that is 25 per cent + 25 per cent = 75 per cent (withholding taxes).

The writer is a Certified Public Accountant (Israel). Questions may be addressed to Jeff Broide at The Jerusalem Post.

Oil's troubles are key to Suez Canal's success

ISMAILIA, Egypt (Reuters). — After record earnings of a billion dollars last fiscal year, the Suez Canal Authority is counting on another bumper year with help from oil stockpiling. Chairman Ezzat Adel said this week.

In an interview, he said he thought revenue from the canal, one of Egypt's main hard currency earners, would again top the billion dollar mark after last year's \$1.03 billion earned through increased oil tanker traffic and a weaker dollar.

Canal tolls have been raised annually for at least five years and further increases for next January

are expected to be announced this autumn.

Adel said the canal was gaining this year as consumers stocked oil at low prices, with the number of tankers using the canal up from 1,648 to 1,877 and average daily tanker tonnage up 17 per cent in the first six months from the same period last year.

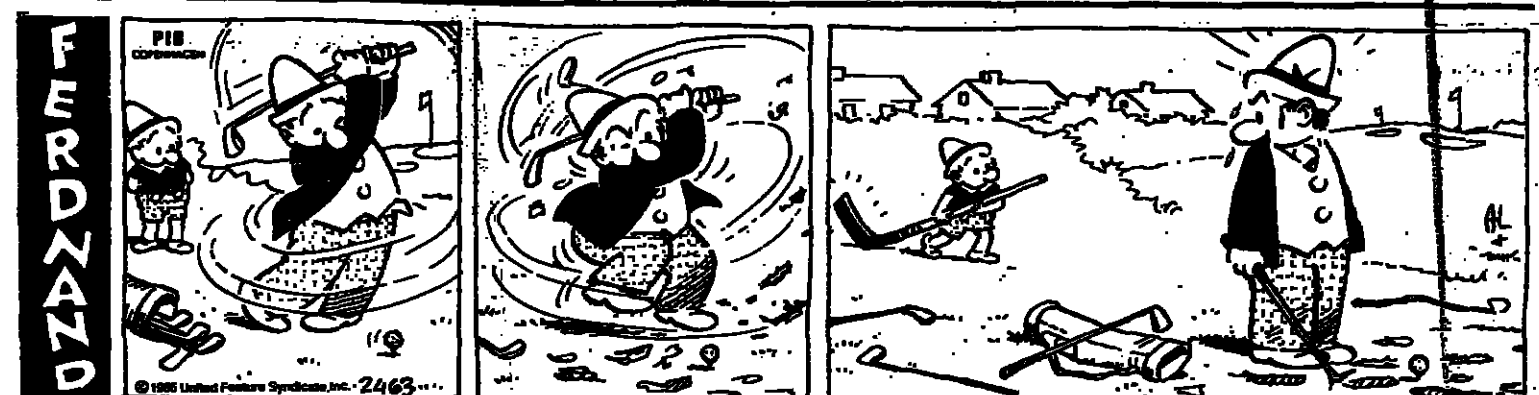
He said he thought stockpiling would continue as long as storage capacity was available and prices stayed low.

However, low oil prices were not wholly advantageous to the canal because cheap bunker fuel oil for

ships whittled down the canal's edge — a shorter, cheaper trip between Europe and Asia — in competition with the Cape route round South Africa.

Adel said the main reason for the record billion-dollar revenue in the fiscal year, which ended June 30, was the slide in the dollar's value against special drawing rights (SDR), in which canal tolls are expressed.

The increase, up from \$910 million last year and a previous record of \$980m. in 1983, was not artificial because most of the authority's liabilities were in dollars, he said.



WORLD NEWS IN BRIEF

Opec members agree to voluntary production cuts

GENEVA (AP). — The Organization of Petroleum Exporting Countries has now pledged from more than half its members for voluntary cuts in production totalling 1.6 million barrels a day. Opec President Rihwanu Lukman said yesterday.

He said five or six countries of the 13 Opec-member states had not yet spelled out offers on how much they were willing to cut their national oil outputs. The ministers adjourned their conference after a 90-minute session and agreed to meet again today.

Lukman said Opec was hoping for a voluntary cut in aggregate production of at least two million barrels a day from the total current output of around 20 million barrels a day. He did not name the countries which have agreed to cut production, but Opec sources said Saudi Arabia, the cartel's main producer, was one of them.

The voluntary cut, said Lukman, was a temporary measure and would stay in force until the ministers are able to reach a definite, binding agreement on national output quotas under a lower aggregate production ceiling.

with lower oil prices, pushed the daily value of North Sea production to about \$25.5 million.

THE U.S. TRADE DEFICIT rose \$14.17 billion in June, following an increase of \$14.21b. in May, the U.S. Commerce Department said yesterday. The small decline in the monthly gap between imports and exports shows the U.S. has yet to begin reducing meaningfully the huge imbalance with its trading partners.

The department said the June shortfall brought the U.S. trade deficit to \$83.92b. for the first six months of the year. During the same period in 1985, the total deficit was \$69.27b.

A TELECOMMUNICATIONS VENTURE between state-owned CIE Generale d'Electricite and New York-based ITT Corp. was approved by the French government yesterday, paving the way for what will be the world's second largest company in the field.

Industry Minister Alain Madelin told reporters the government would not oppose the agreement, due to come into effect on July 31. It was the most important industrial agreement signed in Europe for a long time, he added.

The venture, to be 30 per cent owned by ITT and 70 per cent by a European holding company, will include all of ITT's telecommunications operations around the world and will have annual sales of around \$9.6 billion.

MEXICO WON A KEY LOAN from the World Bank yesterday but the assistance will not become effective until the commercial banks gave assurance they would provide new loans for the heavily indebted country.

The \$500 million loan is part of an international rescue package that includes about \$6b. from the International Monetary Fund.

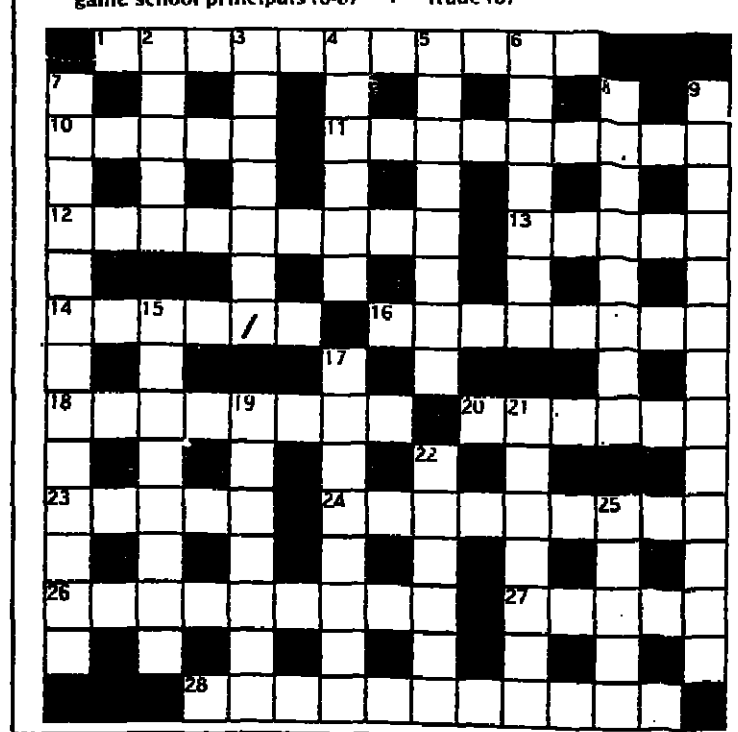
INDIA DECLINED A loan from the World Bank for \$150 million until the bank drops a condition that for the first time links private-sector involvement to credit for an oil project, a senior government official said yesterday.

SOUTH AFRICA'S CURRENCY dropped sharply yesterday, following President P.W. Botha's rejection of a peace initiative from British Foreign Secretary Sir Geoffrey Howe.

The rand closed in London at about .3842 to the dollar, nearly a full cent down from its closing value Tuesday, although an improvement on morning lows. Currency analysts said Botha's response to Howe's mission was seen as a signal that the government expected broad economic sanctions to be imposed.

ONE-ON-ONE CROSSWORD

- | ACROSS | DOWN |
|---|--|
| 1 Potentially dangerous low tarts? (11) | 2 Dark place of retirement in France (5) |
| 10 Fashionable, rented cove (5) | 3 Musicians list liable to change (7) |
| 11 Doom of mother race (9) | 4 Up a third in Yorkshire once (6) |
| 12 From which computer operators make withdrawals? (4, 5) | 5 Someone called after one? New Keane, possibly (8) |
| 13 Sample food in one sense (5) | 6 Newtonian atomic pile? (7) |
| 14 Bent back of umpire taking Latin law (6) | 7 Timed drinkers getting fuddled here in the Midlands (13) |
| 16 Mini, perhaps, in Gateshead or Border (8) | 8 Punish after check — it makes one red in the face! (8) |
| 18 Harry showing literary breakdown before time (3-5) | 9 This has diffused salt etc., racing among star-clusters (15) |
| 20 Means of raising a pound for a villainous fellow (6) | 10 Old Port Said, we hear (8) |
| 23 A great deal in field of vision (5) | 11 E.g. chopper-blade that is reversible (7) |
| 24 See the clergyman's office? (9) | 21 Spoon with the messenger (7) |
| 26 Trouble with the optics? Watch filter! (3-6) | 22 Period of redemption, states article by church (6) |
| 27 Expression of contempt — it goes back to musical direction (5) | 25 Classified unconventional trade (5) |
| 28 Posts across the water for game school principals (6-5) | |



GENERAL ASSISTANCE

- | EMERGENCY PHARMACIES | FIRST AID 101 |
|--|--|
| Jerusalem: Ferkash, 28 Hapelmah, 636094; Belsam, Salah Eddin, 272316; Shu'fat, Shu'fat Road, 810108; Zher Aldawa, Herod's Gate, 262086; Tel Aviv: Ziv, 52 Eyal, Hachiva, 378403; Lev Har, 68 Ahad Har'am, 613862; Netanya: Trufu, 2 Sderot Herz, 28866; Haifa: Hanassi, 33 Sderot Hanassi, 333312. | In emergencies dial 101 in most parts of the country. In addition:
Ashdod 41333 Jerusalem 33133
Ashkelon 23333 Kiron 34442
Bat Yam 331111 Kiryat Shmona 44334
Beer Sheva 74757 Nahariya 33333
Carmiel 38855 Netanya 2333
Dan Region 781111 Petah Tikva 33111
Elitz 7233 Rishon LeZion 94333
Haifa 51223 Safed 30333
Hazor 36333 Tel Aviv 24011
Holon 80313 Tiberias 90111 |
| DUTY HOSPITALS | FLIGHTS |
| Jerusalem: Bikur Holim (pediatrics), Sheara Zadek (internal, obstetrics), Hadassah Ein Kerem (surgery, orthopedics, ophthalmology, ENT). Tel Aviv: Rokeah (pediatrics), Ichilov (internal, surgery). Netanya: Laniado. | "Eran" — Emergency First Aid, Tel: Jerusalem 27171, Tel Aviv 261112, Haifa 672222, Beer Sheva 41811, Netanya 35316.
Rape Crisis Centre (24 hours), to help call Tel Aviv 234819, Jerusalem 24854, Haifa 672222, Beer Sheva 41811, Netanya 35316.
The National Poison Control Centre at Rambam Hospital, phone (04) 25205, for emergency calls, 24 hours a day for information in case of poisoning.
Kupat Holim Information Centre Tel: 03-433300, 433500 Sunday-Thursday, 8 a.m. to 8 p.m. Friday 8 a.m. to 3 p.m. |
| POLICE 100 | FIRE 102 |
| Dial 100 in most parts of the country. In Tel Aviv dial 924444, Kiryat Shmona 4444. | In emergencies dial 102. Otherwise, number of your local station is in the front of the phone directory. |

QUICK CROSSWORD

- | ACROSS | DOWN |
|-------------------|--------------------------------|
| 1 Doctor's deputy | 4 Canoe (anar.) |
| 10 Arbitrator | 11 Field of play |
| 12 Small branch | 13 Present with localized area |
| | 14 Robust, vigorous |
| | 15 Harried, rash |
| | 16 Sharp |
| | 17 Well ventilated |
| | 18 Great pleasure |
| | 19 Trainee officer |
| | 20 Tidy feathers |
| | 21 Seal |
| | 22 Street hooligan |
| | 23 Soak |
| | 24 Court officer |
| | 25 Put up for sale |
| | 26 Erect |
| | 27 Roman god of love |
| | 28 Venture |
| | 29 Unpolluted |
| | 30 Flap |
| | 31 Rude but |
| | 32 Close by |
| | 33 Indian servant |
| | 34 Slight illness |
| | 35 One-eyed giant |
| | 36 Thoroughly proficient |
| | 37 Fidgety |
| | 38 Impress pattern |
| | 39 Style of art |
| | 40 Rummage deeply |

Yesterday's Solution

- | ACROSS | DOWN |
|--|------|
| 1 Round, 4 Delays, 9 Brittle, 10 Tests, 11 Ling, 12 Eased, 13 Bet, 14 Tear, 15 Also, 16 All, 17 Reduces, 18 Onus, 24 Curved, 25 Equable, 26 Sadist, 27 Trend, DOWN: 1 Rabbie, 2 Union, 3 Date, 4 External, 5 Assigns, 6 Speedy, 8 Revet, 13 Brackets, 15 Endured, 17 Crocus, 18 Asset, 19 Ascend, 22 Noble, 23 Cart. | |



Keep Israel Beautiful

July 31, 1986

MARKET
PLACE

WILLIAM KEEGAN

Dollar's
direction

The big question being asked in international monetary circles this summer is: how much further will the U.S. dollar fall?

Reserve administration officials have made it abundantly clear that, if other countries do not take expansionary steps, then they face further declines in the dollar as the only way of reversing America's unfavorable balance-of-payments trend and reducing the country's dependence on foreign capital.

However, the months go by and we still see announcements of huge U.S. deficits, and corresponding surpluses in Japan and West Germany. The explanation is partly that not enough has been done to change the American balance-of-payments picture - if other countries expanded faster and imported more from the U.S., then this in itself would ease its payments position.

It is also true that changes in currency values take a long time - perhaps up to two years or more - before they show up in the national statistics. This is simply because of the time it takes for businesses to adjust to changing cost structures, and alter their purchasing policies accordingly. There is an element of panic and disbelief in much international discussion at present, with a tendency to believe that the U.S. payments trend will never alter.

It will, because the fall in the dollar has been dramatic. But it will take time, and many nerves will be strained en route.

One of the most interesting developments in official circles, however, is a new concern with the differing performance of the U.S. dollar against the various currencies. The publicity about the collapse of the dollar has centered on its movement against the average of other currencies, and against the Japanese yen and the West German Deutsche mark.

What has become apparent recently is that there has been a rapid rise in U.S. imports from South Korea, Taiwan and other Southeast Asian countries. These shipments are causing a rise in protectionist feeling in Congress, at a time when there is increasing evidence that the U.S. economic boom has run its course.

Why should shipments from this area be booming at a time when the dollar is so weak? The answer is that these countries have kept their currencies tied to the dollar, so that they have completely avoided the effect of being priced out of the market, which countries such as Japan are now suffering from in the U.S.

One can expect in the near future either that drastic quotas will be imposed by Congress on imports from the Pacific Basin, or that the White House, having failed to persuade the Germans and the Japanese to expand their economies, will turn to the smaller countries, and insist that they allow their currencies to rise against the dollar.

But the irony is that even those much-vaunted Southeast Asian economies are not doing that well at present. They may be seen as whipping boys, but like many other countries, they are suffering from the general sluggishness in world trade, and the U.S. slowdown itself.

We have reached the position in international economic policy now where the tail is wagging the dog. There is something intrinsically absurd about big, modern economies such as the U.S. and the major European countries being worried about low cost imports from a small corner of the globe.

These worries were never that strong during the booming decades after the Second World War. In fact it makes perfect economic sense for the big industrial countries to "move up-market," specialize in the kind of goods that their more highly trained work forces can produce, and leave a gap for lost cost producers.

(London Observer Service)

Gains didn't come from sales

Dead Sea profit up 25% in '85

By PINHAS LANDAU
Post Finance Reporter

The Dead Sea Works Ltd. yesterday reported a strong gain in 1985-86 net profits for both the company and the subsidiaries. But that for the Dead Sea group, operating profits and sales fell, and the higher bottom line resulted only from strong finance income and lower taxes.

Group profits, after tax and adjusted for changes in the shekel-dollar rate, rose 25 per cent to a record \$63.5 million. For Dead Sea Works alone, net profit jumped 37 per cent to \$49m. This meant the company had to pay royalties of NIS 12,177,000 - the largest sum amount in its history - to the government for the right to operate Israel's major natural resources.

The government is the main shareholder in the company, with a minority of shares held by the public and traded on the Tel Aviv Stock Exchange.

The company also paid cash dividends amounting to \$15m. during the year. Of this, \$5m. represented a

final dividend for 1984-85 and \$10m. an interim dividend in 1985-86.

The Dead Sea Works subsidiary, Bromine Compounds Ltd., which is planning a public offering on the New York Stock Exchange of 20 per cent of its equity, reported that profit narrowed 3 per cent to \$14.6m. on sales, 16 per cent of \$162m., up 16 per cent.

Dead Sea itself went through a tough year, as the report makes clear. The world slump in agriculture meant lower demand for fertilizers, resulting in lower sales and price levels for potash producers like Dead Sea. Dead Sea Works, however, increased its potash production by 5 per cent to just under two million tons because of increased capacity due to investment projects that were completed this year.

Sales fell though, although by only two per cent to 1,832,000 tons. Salt sales, both table and industrial, rose significantly. The company said it expects the weak potash market to continue this year.

The downturn in sales and prices

for its main products cut Dead Sea's income by 5 per cent to \$189m.

The group as a whole managed a slight gain in income, up 4 per cent to \$335m. But expenses grew, especially in the group, where they rose 10 per cent to \$276m.

The inevitable result was lower operating profits. Dead Sea's operating profits slumped 30 per cent from \$50.6m. to \$35.9m. and the group's operating profits were off 22 per cent to \$58.5m.

However, financial income from securities and other investments came to the rescue. For the company, they more than quadrupled to \$29m., and for the group they doubled to \$25m. Furthermore, the year's tax bite was sharply reduced from the previous year. The company and the group were both able to release large sums held for deferred taxes, thereby reversing the effect of higher current taxes.

The company's tax bill dropped from \$21.6m. to \$15.7m., and the group's fell from \$32m. last year to \$19.5m.

Afik reports
NIS 4m. loss
due to FIT link

By PINHAS LANDAU

Afik Investment Co. Tuesday reported a loss of NIS 4.4 million, primarily as a consequence of the collapse on March 11 of the FIT brokerage firm, which held Afik's liquid assets and investments.

Afik's statements were drawn up on the assumption that the loss, which is directly attributable to FIT, would not be recovered.

The overnight collapse of FIT - whose owners Yuri Salant and Hagai Bluch were major shareholders in Afik - left Afik facing insolvency. A new board was put together in an effort to save the company and its subsidiaries.

In his letter to shareholders, the new board's chairman, Haim Duvshani, said one subsidiary had been shut down since March and the flow of investment funds had been cut off to another. The investments made in both these concerns were wiped off the balance sheet at year end, while potential losses from guarantees given to them by Afik were realized in advance and written-off to the tune of NIS 1.15m. in all.

The net result of these losses and write-offs was to leave Afik with a loss of NIS 4,380,495 for 1985/86, compared with a small, inflation-adjusted profit of NIS 718,463 in the previous year. This loss, in turn, left the company with less than NIS 600,000 of its own equity.

Afik's accountants, Somekh, Chaikin and Co., have also qualified the firm's figures by noting that two guarantees were discovered that were issued by Afik to subsidiary and affiliated companies without due approval by the board. Since there may be other such guarantees, the accountants cannot fully vouch for the accuracy of the company's figures as presented. Similarly, Somekh noted that it could not verify whether the provisions made against the FIT losses were sufficiently large.

The attempt to restructure Afik is continuing, the statements show. The sale of shares in Afik (Real Estate) Ltd. to another subsidiary, PCB, was signed on April 1 but has not been approved by two other parties - Bank Discount Industrial Investment and the government's Investment Centre.

MORE THAN 300 Israeli and U.S. companies have supplied business data to an information bank which the Israel-America Chamber of Commerce will offer at its trade week in November.

SHEKEL

(Continued from Page One)

"If things continue this way we may see a NIS 1.4 rate of exchange for the dollar," a central bank official said. Nevertheless he added he did not expect the American currency to go down much further in the coming weeks.

"Anyone rushing to pay dollars in the coming days may find himself losing money within a few days," a central bank official commented.

Financial experts pointed out that foreign currency holders are not willing to speculate with their money could maintain its value by holding foreign currency in the same proportions as in the basket, which would protect them from any fluctuations in the value of the individual currencies. Another alternative would be to hold to shekels, since they would be fully pegged to the basket.

Under the new system, if the dollar falls by 5 per cent against all European currencies, the shekel will rise relative to it by 60 per cent of 5 per cent, or 3 per cent, while the value of the other currencies will go up by 2 per cent, or 40 per cent of 5 per cent.

LEVY RAPS U.S.

(Continued from Page One)

certain questions concerning King Hussein's "new direction," which took him to Syria.

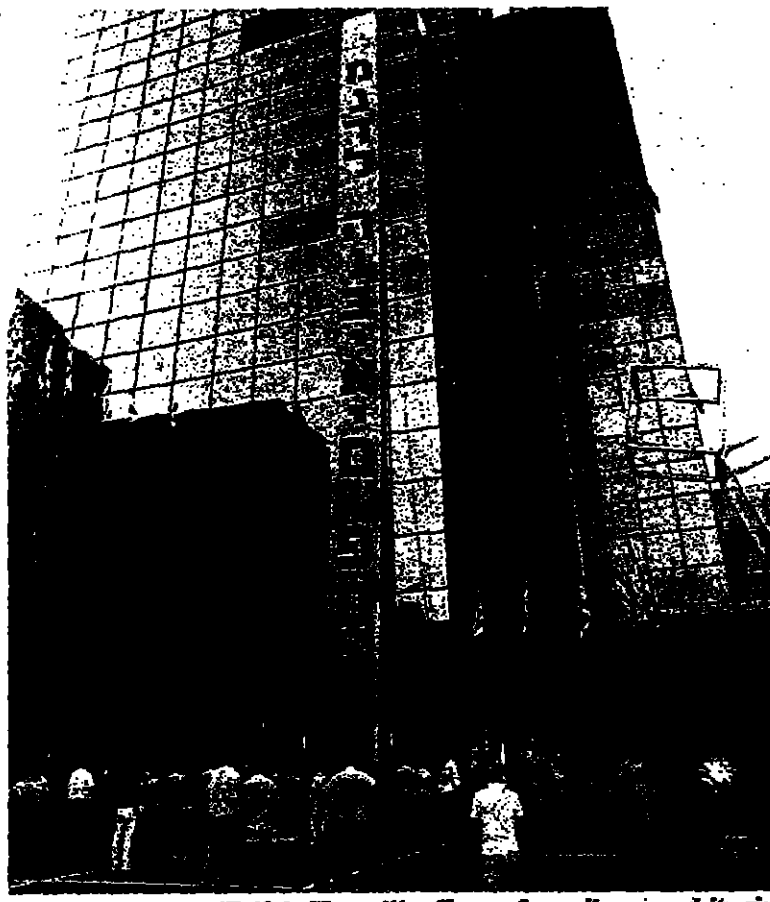
"We are following the continuation of Syria's military preparations closely and they are intertwined with Syria's encouragement of terrorist activity," Levy said. "But as for Hussein - the citizens of Israel are under the impression that Hussein is interested in direct negotiations with us, that he is acting to achieve peace with us. And suddenly he gets closer to Syria. This should raise questions here and in the U.S."

Asked about Israel's relations with the U.S. in light of the Pollard affair and other alleged espionage cases, Levy said the situation - in which Israel is repeatedly accused of something that is later denied - is intolerable.

"I am shocked. As one who always saw our relations with the U.S. as vital, I cannot reconcile myself to that attitude. Israel responded [to the Pollard affair] as no other country would have, and allowed people here to be questioned by the Americans."

"We said openly that it was a local action, not part of government policy, and that we regretted it. But despite all that and our willingness to act according to the Americans' will, we are suddenly in a murky atmosphere in which Israel has turned into a suspect."

Levy said that something had to be done to change the atmosphere. "I expect real action, like telling the truth to the American public and media. Making it clear that relations with Israel are among the U.S.'s highest interests, and if any mistakes or misunderstandings occur, it is no reason to nail us every Monday and Thursday with a new affair. Is Israel a burden to America? Are we harming its security?"



Sign of the times: Haifa's Hanevi'im Tower formally opened its six floors of retail shopping space yesterday, with a host of local personalities present and a 30 metre banner announcing the event.

(Israel Sun)

Bush: Israel can learn from U.S. economy

Vice President George Bush, in an address to the Knesset yesterday, offered MKs some advice on how to improve Israel's economy, based on the U.S. experience.

An excerpt from his speech follows:

"I want to tell you a little about how we brought our economy back to life and about how our experience might be useful to Israel."

Taxes are another area in which our experience might be helpful. Israel's top rate on personal income, for example, is about where Amer-

ica's was in the late 70s. We found that rates of that magnitude stifle investment and new business creation. We're about to cut our top rate for the second time in five years. Our first cut played a major role in starting the growth we've had."

Israel has a large number of state-owned enterprises. In America we're starting to sell off what we hold. We've found that state-owned enterprises provide poorer services than their private competition. They lose money. They drive up our deficits and, ultimately, they stifle growth."

I know there has been a great deal of public discussion here about regulation of every kind, including capital market regulation. I've also heard from American businessmen that one of the reasons there is relatively little foreign investment in Israel is that the burden of regulation is too heavy. I headed the U.S. government task force on deregulation. I would just say, based on our experience, that in your deliberations you would do well to take the destructive effects of excessive regulation very, very seriously."

Tel Aviv Stock Exchange

MARKET STATISTICS

Indices:			
General Share Index	114.18+0.45%		
Non-Bank Index	131.36+0.21%		
Arrangement	106.63+0.59%		
Insurance	142.81+1.67%		
Commerce, Services	151.83+0.32%		
Real Estate	162.46+0.89%		
Industrial	119.84+0.34%		
Textiles	145.28+0.80%		
Metals	115.87+0.58%		
Electronics	91.57+0.42%		
Chemicals	120.40+0.05%		
Industrial Invest.	114.09+0.37%		
Investment Cos.	131.87+0.34%		
General Bond Index	110.88+0.81%		
Index-linked Bonds	111.51+0.03%		
Fully-linked	113.02+0.04%		
Partially-linked	110.63+0.12%		
Dollar-linked Bonds	98.86+0.00%		
Short-term 0-2 yrs	109.54+0.14%		
Medium-term 2-5 yrs	108.77+0.09%		
Long-term 5+ yrs	106.56+0.23%		

Turnovers:			
Shares - total	NIS 7,406,800		
Non-Bank	NIS 2,870,800		
Arrangement	NIS 4,735,800		
Bonds - total	NIS 6,123,700		
Index-linked	NIS 6,316,200		
Dollar-linked	NIS 1,808,500		
Treasury Bills	NIS 230,500		

Share Movements:			
Advances	136	(236)	
of which 5% +	7	(80)	
"buyers only"	2	(2)	
Declines	114	(41)	
of which 5% +	17	(3)	
"sellers only"	2	(0)	
Unchanged	115	(108)	
Trading Halt	56	(36)	

Bond Market Trends:			
Index-linked	Stable/slight rises		
3% fully-linked	Stable/slight rises		

4.25% fully-linked			
80% linked	Stable		
Double-linked	Stable/mixed to 2%		
Dollar-linked:			
Admon	Rises to 0.5%		
Ribon	Rises to 1%		
Gilboa	Falls to 1.5%		
For Curr. denominated	Falls to 0.5%		
Treasury Bills	1.42-1.48%		

Arrangement yields:			
IDB ord.	13.70%		
Union 0.1	13.40%		
T.A.T. 1	13.40%		
Discount A	13.59%		
Mizrahi r.	13.70%		
Hapoalim r.	13.44%		
General A	13.51%		
Leumi stock	13.32%		
Fin. Trade 1	11.21%		

SELECTED QUOTATIONS

Name	Price	Volume	%
Leumi Mort. r.	4638	135	-2.2
Dev. Mort.	1335	822	-
Mishkan r.	2210	757	+0.6
Tel Aviv r.	12330	112	-0.8
Meriv r.	5000	401	-

Commercial Banks			
(not part of "arrangement")			
Maritime 1	1060	1303	-
General non-arr.	29400	36	-0.8
First Int'l	3650	2257	+0.3
FBI	3840	5251	+1.3

Commercial Banks			
(part of "arrangement")			
IDB	80348	396	+0.0
Union 0.1	80448	27	-0.0
Discount	103500	75	+0.5
Mizrahi	33300	480	-
Hapoalim r.	55250	2075	+0.9
General A	141000	16	+0.9
Leumi 0.1	25200	2457	+1.0
Fin. Trade	48700	-	-

Mortgage Banks			
Leumi Mort. r.	4638	135	-2.2
Dev. Mort.	1335	822	-
Mishkan r.	2210	757	+0.6
Tel Aviv r.	12330	112	-0.8
Meriv r.	5000	401	-

Financial Institutions			
Agri. Co. DD	not trading		
Ind. Dev. DD	not trading		
Cle. Leasing 0.1	12500	80	-0.8

Insurance			
Ararat 0.1 r.	851	140	-4.4
Hassneh r.	476	13439	+1.1
Phoenix 0.1	680	455	-3.7
Haishmar	6800	30	-0.8
Manorah 1	6861	1	-
Sahar r.	4200	205	+1.9
Zion Hold. 1	16000	3	-

Trade & Services			
Meir Ezra	4760	23	-1.0
Superior 2	4910	645	-
Dolex r.	2840	2057	-
Lightness	1936	s.o.i.	-5.0
Cold Storage	3650	50	-2.3
Dan Hotels	3070	366	-7.0
Hilton 1	12900	-	-
Team 1	1635	247	+1.6

Real Estate, Building and Agriculture			
Azoria	590	5426	-1.7
Adgar	418	15537	-
Africa Int. 0.1	30850	140	+1.8
Denkora	4050	115	-
Prop. & Bldg.	2555	701	-
Baystate 0.1	4140	470	+2.0
ILDC r.	45300	314	+1.8
Ressou r.	8316	198	+5.0
Mehadrin	8600	848	+3.1
Hadarim	1070	2884	+2.4

Industrials			
Dubek b	3230	550	-
Pr-Za 1	1795	1994	+5.0
Sunfront	7400	14	-
Elita	13282	41	+5.0
Argamim r.	840	2402	-
Delta G 1	3880	365	+1.8
Maquetta 1	25000	76	+6.4
Eagle 1	11480	39	+2.6
Polpat	2030	890	+1.0
Schellera	12300	71	+2.5
Rogovin	3460	212	-
Urdan 0.1 r.	8950	315	-4.3
El Can Co. 1	1194	2803	-0.5
Zion Cement	not trading		
Procter Steel	6850	197	-2.2
Elbit	377500	22	-0.1

Investment Companies			
IDB Dev. r.	3475	641	-0.3
Elam	2650	970	-
Afik 1	not trading		
Gahel	1280	-	-1.5
Israel Corp. 1	7854	528	+0.8
Woflon 1 r.	115000	1	-1.3
Hapoalim Inv.	5079	759	+0.6
Leumi Invest.	not trading		
Discount Invest.	2220	2190	+0.9
Mizrahi Invest.	16848	48	+1.1
Cle. 10	741	4850	-
Lendex 0.1	6020	40	-
Pama 0.1	9480	135	+1.4

Oil Exploration			
Paz Oil Expl.	12450	57	-0.8
J.O.E.L.	1445	122	+1.0

Abbreviations:			
s.o. sellers only	b. buyers only	b. broker registered	

Leumi British unit expands

By JERRY LEWIS

Jerusalem Post Correspondent
LONDON. - Spurred by the growing demand for mortgages here, Bank Leumi said this week it was expanding operations and would compete with British building societies to make the loans.

In doing so, Leumi's British subsidiary is following in the footsteps of domestic banks which have been recently drawn into the mortgage market. Leumi's advantage, a bank spokesman said, was that it would be open on Sunday mornings.

Sunday is the most popular day for

house-hunting, he explained at a news conference.

Leumi will offer a minimum of £15,000 and will not have any ceiling on the maximum amount available. A streamlined application system will ensure that borrowers will receive their funds as soon as their applications have been approved.

The bank also said it was opening its seventh branch in Britain in northwest London suburb of Kington. The bank currently has London branches and a sixth in Leeds.

FINANCIAL DATA:
ISRAEL, EUROPE, U.S.

ISRAEL MONEY MARKETS July 30, 1986

SHEKEL INTEREST RATES
PRIME BORROWING RATE: 1.25% per month
Unlinked Deposit (Annual Rates)

	Last Updated	Tapas	Pakam 7-Day Pakam 30-Day
LEUMI	30.7	7-17%	8-15.5%

